

# DAILY REPORT

*China*

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PRC FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING**Bhutan Boundary Talks Set**

OW270940 Beijing XINHUA in English 0930 GMT 27 May 87

[Text] Beijing, May 27 (XINHUA) -- China and Bhutan will hold their fourth round of boundary talks in Thimpu, the capital of Bhutan, from June 8 to 10.

This was announced by a Chinese Foreign Ministry spokesman at the weekly news briefing here this afternoon.

The spokesman said that "as is agreed by the Government of the People's Republic of China and the Government of the Kingdom of Bhutan, the fourth round of Sino-Bhutanese boundary talks will be held in Thimpu, the capital of Bhutan, from June 8 to 10."

**On South Asian Relations**

OW271008 Beijing XINHUA in English 0947 GMT 27 May 87

[Text] Beijing, May 27 (XINHUA) -- China sincerely hopes that the South Asian countries will treat each other as equals and live in friendship, a Chinese Foreign Ministry spokesman said here today at the weekly news briefing.

Answering the questions from reporters, the spokesman said, China has consistently worked to develop good neighborly relations with all the countries in South Asia.

"It sincerely hopes that the South Asian countries will treat each other as equals, live in friendship and strengthen their cooperation so as to achieve common development," the spokesman said, adding that "this position of the Chinese Government is open and aboveboard."

The spokesman said, "The allegation that China is inciting negative predispositions toward India among its South Asian neighbors is simply untruthful."

**Wu To Tour Latin America**

CW271004 Beijing XINHUA in English 0950 GMT 27 May 87

[Text] Beijing, May 27 (XINHUA) -- Chinese Foreign Minister Wu Xueqian will pay an official goodwill visit to Peru, Ecuador and Chile from June 7 to 17 at the invitation of the foreign ministers of these countries.

This was announced by a Chinese Foreign Minister spokesman at the weekly news briefing here this afternoon.



## Indian Border Issue Discussed

OW270852 Beijing XINHUA Domestic Service in Chinese 0748 GMT 27 May 87

[Text] Beijing, 27 May (XINHUA) -- Answering reporters' questions at a news briefing this afternoon, a press spokesman of the Ministry of Foreign Affairs said that China consistently stands for an early settlement of the Sino-Indian border issue through friendly consultations in a spirit of mutual understanding and accommodation, and that prior to the settlement of the border issue, it is imperative to maintain peace and tranquility in the border area.

The Chinese side has made unremitting efforts in this regard, he added.

A reporter asked the following question: Recently the Indian defense minister has said that the current situation in the South Asian region is partially caused by China's international and strenuous efforts to instigate a negative attitude against India among neighboring countries in South Asia. What are the comments of the Chinese side on this?

The spokesman said that the allegation that China has instigated a negative attitude against India among neighboring countries in South Asia is inconsistent with the facts.

He said: China has consistently devoted efforts to developing goodneighborly and friendly relations with South Asian countries and sincerely hopes that these countries will treat each other equally, get along friendly, strengthen cooperation, and make common development. This stance taken by the Chinese Government is open and aboveboard.

TA KUNG PAO EXAMINES YANG SHANGKUN, KIM VISITS

HK250900 Hong Kong TA KUNG PAO in Chinese 24 May 87 p 2

["Review of the Week" by Gong Yao-wen (7895 5069 2429): "Yang Shangkun's Visit to the United States and Kim Il-song's Visit to China"]

[Text] The Subtle Effects of Diplomatic Activities [subhead]

Recently, China has been involved in two important diplomatic activities, one in America and the other in Asia. This shows that Beijing indeed has decisive influence on the international stage and that it is playing the subtle role of a lever and a regulating role in upholding world peace and stability.

Concrete examples include first, Yang Shangkun's visit to the United States, second, its role as the host during Kim Il-song's China visit, and third, Zhao Ziyang's decision to embark on his visit to five East European countries on 4 June.

Yang Shangkun is vice chairman of China's Central Military Commission. He is second in rank only to Deng Xiaoping (Minister of National Defense Zhang Aiping and Chief of General Staff Yang Dezhi have both visited the United States). Over the past few days, he has been very busy meeting and holding bilateral talks with senior White House and U.S. defense officials. As a result, mutual understanding has improved and cooperation between the two armed forces has been strengthened. He has achieved considerable success in all this. [paragraph continues]

Speaking at a welcoming banquet hosted by Weinberger in his honor, Yang Shangkun said: Sino-U.S. military exchanges are an important aspect of the bilateral relations between the two countries. In recent years, as a result of the improvements in Sino-U.S. political and economic relations, military relations between the two countries have also been developing. This is indicated by the exchange of visits between the two countries' army leaders, between members of their various branches of armed services and military academies, and visits by professional and technological delegations. His speech is evidence that profound changes have taken place in Sino-U.S. relations over the past 5 years. All-round military relations between the two countries are now extensively developing.

#### The Fruits of Sino-U.S. Cooperation Over the Past 15 Years [subhead]

Over the past 15 years, Sino-U.S. relations have been steadily developing. This is indicated by the following: 1) the total volume of Sino-U.S. trade exceeded \$8 billion last year and U.S. investment in China is second only to Hong Kong investment; 2) the scientific and technological cooperation between the two countries is on the largest scale in the world; and 3) about half of China's students studying abroad, that is, 19,000, are studying in the United States. In addition, China and the United States will sign a new cultural agreement this week.

Sino-U.S. relations were defrosted in 1972, when Nixon and Kissinger signed the Shanghai Communique during their China visit. However, since the 3d Plenary Session of the 11th CPC Central Committee, when the principle of carrying out reforms, opening up the country to the world, and revitalizing the domestic economy was formulated, these relations have developed significantly and China has begun to have an influence on Asia and the world. This is an undeniable fact.

#### Sino-U.S. Relations Lead to Changes in World Balance of Power [subhead]

Improvements in Sino-U.S. relations have led to change in the world balance of power. Taught a lesson in the Vietnam War, the United States has shelved its hegemonist-expansionist policy and has switched from an offensive position to a defensive one. During the ambitious Brezhnev times, taking advantage of U.S. involvement in Vietnam, the Soviet Union pursued an expansionist policy in Asia, Africa, and Latin America with an overbearing attitude. However, although "Brezhnevism" led to an amazing expansion of the Soviet nuclear and conventional forces, it also stimulated the growth of the moral strength of the forces against war and for peace. During Brezhnev's times, the Soviet Union sent an army to Afghanistan and the Vietnamese invaded Cambodia. With military and economic aid from countries all over the world, the invaded countries have been able to defy the aggressors, who are now caught in a dilemma. This has boosted the confidence of the world's peace-seekers.

A third world war cannot easily break out now. Neither the United States nor the Soviet Union dares to start a nuclear war. Western Europe's Common Market, Japan and China, pursuing its opening up policy, are focusing their attention on economic development and have strengthened the exchanges and cooperation between them. The changes brought about by China's opening up policy in its economy and in its people's livelihood have some direct effects on the Soviet Union and the socialist camp in Eastern Europe.

It is unavoidable that China's foreign policy of upholding international peace draws attention from its neighbors. One of those neighbors is Vietnam [paragraph continues]

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GENERAL

Because of the Le Duan group's resentment toward Sino-U.S. reconciliation, it has become more pro-Soviet and anti-Chinese without gaining any advantage. Its occupation of Cambodia has brought it very undesirable consequences over the past 8 years. The situation has been pending changes since Le Duan's death. Since the establishment of Sino-U.S. diplomatic relations and as a result of the development of Sino-Japanese friendship and cooperation, the situation on the Korean peninsula has become less tense. In view of all this, and South Korea's economic development and the possible effects of the Olympic games, Pyongyang is now also pursuing an opening up policy. In addition, it enthusiastically calls for North-South peace and reunification talks and the establishment of a confederacy. In August last year, families divided and separated since the Korean War met for the first time. So long as both sides are sincere and make unremitting efforts, conditions will gradually be ripe for the peaceful reunification of Korea.

Kim Il-song is visiting China and is discussing the situation on the Korean peninsula with China against this background. Beijing can contribute something by playing the role of a bridge between the United States and Korea.

#### World Peace Has Become More Stable [subhead]

Another important thing is that Gorbachev, who poses as a reformer, has brought an end to the "Brezhnev era" after rising to power. Seventy years have passed since its revolution. However, except that it is a "military giant," the Soviet Union has nothing to boast of, particularly in the economic field and regarding its people's living standards. Bureaucracy and age-old maladies are corroding the Soviet Union, the world's first socialist country. The Soviet people are discontented with the status quo. Under such circumstances, Gorbachev has introduced "reforms" as a new revolutionary policy.

Influenced by China and the Soviet Union's "reforms," Eastern Europe is also envisaging changes. The countries there will more resolutely seek peace and raise their peoples' living standards. Given all this, during his visit to five East European countries in early June, Zhao Ziyang should be able to find ample scope for cooperation between China and these countries. On the one hand, China cooperates with the United States and Western Europe, and on the other, it is trying to make friends with the Soviet Union and Eastern Europe. The world is really changing and peace will become more unshakable.

#### LI PENG ATTENDS DAM COMMITTEE RECEPTION

OW240453 Beijing XINHUA Domestic Service in Chinese 1339 GMT 23 May 87

[By reporter Huang Fengchu]

[Excerpts] Beijing, 23 May (XINHUA) -- The 55th executive meeting of the International Dam Committee closed in Beijing today. During the 6-day meeting, representatives from various countries delivered 39 theses concerning dams and earthquakes. [passage omitted]

The Ministry of Water Resources and Electric Power hosted a reception for the meeting participants this evening. Vice Premier of the State Council Li Peng attended the reception to extend congratulations on the successful closing of the meeting.



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UNITED STATES

B 1

YANG SHANGKUN, DELGATION CONTINUE U.S. VISIT

Visits Los Angeles

OW261048 Beijing Domestic Service in Mandarin 0930 GMT 25 May 87

[From the "National Hookup Program"]

[Excerpts] The Chinese Government delegation led by Vice Chairman Yang Shangkun arrived in Los Angeles, a well-known city on the U.S. west coast, by a special plane this afternoon. This is the last stop of Vice Chairman Yang's visit to the United States. [passage omitted]

Lockheed Aircraft Corporation held a banquet last night in Los Angeles to welcome Vice Chairman Yang Shangkun and his party. In his speech, State Councillor Fang Yi talked about issues concerning the investment environment — issues that concern U.S. enterprises most. He pointed out: We have already attained gratifying results in improving investment environment. All this facilitates foreign enterprises in making investments. China's aspiration to develop economic and trade relations with the United States on the basis of equality and mutual benefit will remain unchanged. China's door is wide open to you. [passage omitted]

Honored at Banquet

OW261148 Beijing XINHUA in English 1132 GMT May 87

[Text] Los Angeles, May 25 (XINHUA) — Yang Shangkun, head of the visiting Chinese Government delegation, was welcomed here today at a grand banquet given in his honor by Chinese Americans living in Los Angeles and the vicinity.

Amidst applause from some 1800 Chinese Americans attending the banquet, Yang briefed his hosts on China's domestic political and economic policies.

He said that China is continuing to deepen its current political and economic reforms and to open to the outside world.

He assured his audience that China will never allow a return to the kind of chaotic situation like the "Cultural Revolution".

He also stressed that the reunification of China is the heart's desire of all Chinese in every part of the world.

Yang, together with Chinese State Councilor Fang Yi, vice head of the delegation, arrived here yesterday after a brief tour of the Strategic Air Command near Omaha, Nebraska, the same day.

Earlier today, Yang and his delegation flew to San Diego where they visited a U.S. Naval-Air Force base.

Tomorrow, Yang is expected to deliver an important speech at a dinner to be hosted by the World Affairs Council of Los Angeles.

Yang and his party will conclude their visit to the United States on May 27, and then fly to Vancouver for an official visit to Canada.

## Yang Addresses Banquet

OW262252 Beijing XINHUA Domestic Service in Chinese 1327 GMT 26 May 87

[By reporters Li Yanning and Zhao Zijian]

[Excerpts] Los Angeles, 25 May (XINHUA) -- Chinese Americans from various circles in Los Angeles gave a grand banquet here tonight to extend a warm welcome to a Chinese Government delegation, headed by Vice Chairman Yang Shangkun, with State Councillor Fang Yi as deputy head. [passage omitted]

Yang Shangkun, head of the delegation, delivered a cordial and lively speech during the banquet. His speech was punctuated with applause.

Yang Shangkun told those present that both China's political and economic situations today are stable, as are its policies, which will not change drastically. He emphatically pointed out: On the one hand, China wants to uphold the socialist road and Communist Party leadership; on the other hand, it wants to persist in reform, opening to the outside world, and invigorating the economy. Our reforms are not too much, but not yet enough. Our opening to the outside world is not too much either, but it is not yet enough and it may take a still bigger stride.

Yang Shangkun explained to those present that the opposition to bourgeois liberalization in China has a clear and definite meaning and will not cause any unrest, and that the practice of the "Great Cultural Revolution" will never be repeated. He said: "We do not want to abandon the reforms and opening to the outside world at all. In fact, we are gradually deepening the reform of the economic structure, and we will continue to adopt some new reformative measures. We are seriously considering the question of reform of the political structure, focusing on displaying socialist democracy. We will submit a tentative plan for discussion at the 13th CPC National Congress this fall."

Yang Shangkun hoped that Overseas Chinese compatriots and Chinese American friends will help promote the reunification of the motherland, and said that he welcomes them to visit Mainland China. He wished for Chinese Americans to live and work in peace and contentment, live in harmony with the people of all nationalities in the United States, and make new efforts to promote the development of the United States and the development of Sino-American friendship. [passage omitted]

RENMIN RIBAO NOTES YANG SHANGKUN'S NEW YORK VISIT

HK250222 Beijing RENMIN RIBAO in Chinese 24 May 87 p 6

["Newsletter From America" by Liu Kaichen (0491 7030 1368) and Jing Xianfa (2529 2009 3127): "Conveying the Message to the American People"]

[Text] New York, 27 May -- On the evening of 21 May, the hall of the U.S. Foreign Relations Committee was filled with guests. Despite the non-stop noises of Manhattan outside, the voice of Vice Chairman Yang Shangkun attracted the attention of all those present like a magnet: "The message I have brought to you all today is that the policy of reform, opening up, and invigoration will not change, China's independent and peaceful foreign policy will not change, and China's desire to strengthen and develop friendly ties with the United States will not change either."

Immediately after his flight from Washington to "the world's economic capital," New York, Vice Chairman Yang made a speech at a reception given by some American friends. The reception was attended by old friends familiar to the Chinese people such as Kissinger and Salisbury. People were eager to know about the state of China's economic progress and hoped to get the latest information on the Chinese Government's main guidelines.

The American people's concern for the Chinese people is understandable. As far as New York is concerned, for instance, China ceased to be a remote and strange land a long time ago. The 10 million people in the largest city in North America includes 250,000 Chinese, representing the largest concentration of descendants of the yellow emperor in the Western Hemisphere. More than a century ago, the wharves of New York rang with the cries of Chinese workers staggering under heavy loads. Today, although the size of Chinatown in southern Manhattan ranks second in the United States, it ranks first in all American cities in its Chinese-style buildings and its cooking from all parts of China. However, there are other reasons for explaining the ceaseless "craze for China": New York is the birthplace of almost all American national Sino-U.S. friendship groups and organizations. The U.S.-China Relations National Committee, the first to be set up, has been in existence for more than 20 years. The U.S.-China Association, set up in March this year, includes among its members three living ex-presidents, Carter, Ford, and Nixon, together with all living former secretaries of state such as Kissinger and Haig. Vice Chairman Yang and his party were indeed among a host of friends in this gathering.

New York occupies a rich place in the pages of the history of friendly relations between China and the United States. At the ceremony welcoming Vice Chairman Yang at City Hall, Mayor Koch recalled with interest the changes that have taken place in friendly relations between China and the United States since he was elected to office: New York and Beijing established sister city ties in 1980; painting exhibitions, dances, and musical concerts from all parts of China have added exotic color to this "city without night." The mayor took most pride in the recent visit to New York of the pandas "Yong Yong" and "Ling Ling." The mayor and the people of the city were thus finally able to admire these animals. An average of 2,000 people went to see them every day in the Bronx Zoo. When Mayor Koch mentioned to Vice Chairman Yang that a polar bear in the zoo recently bit a child, Vice Chairman Yang replied humorously: "Pandas do not bite people; they are envoys of friendship!"

Friendly relations between China and the United States represent a contribution to world peace. When Vice Chairman Yang and his party arrived at the UN building in east Manhattan, they stood for a long time in front of this forum where the peoples of the world strive for peace. Afterwards he said to Mayor Koch: "Striving for world peace needs not only the establishment of friendly relations between China and the United States but also the establishment of such ties with all countries in the world."

We will soon be saying farewell to New York. Vice Chairman Yang entered an express lift to the observation platform at the top of the 320 meter-high Empire State Building. Below, cigar-shaped night-time Manhattan was ablaze with a kaleidoscope of color, while the dark area of Harlem to the north and the Statue of Liberty to the south were dimly visible through the haze...



KIM IL-SONG CABLES THANKS TO ZHAO, DENG, LI

OW262316 Beijing XINHUA Domestic Service in Chinese 1349 GMT 26 May 87

[Text] Beijing, 26 May (XINHUA) — Before he wound up his official goodwill visit to China and left Dandong for home today, Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and president of the DPRK, sent a message to Chinese leaders Zhao Ziyang, Deng Xiaoping, and Li Xiannian, expressing his satisfaction over his visit to China and thanking Chinese party, Government, and people for according the Korean delegation a warm welcome and cordial reception during its stay in China.

The message says: "We held meetings and talks of far-reaching significance with you in a cordial and friendly atmosphere. Identical views were shared on all questions discussed. The comradely and friendly relations between us have been further enhanced."

"Our visit to China has consolidated Korea-China friendship which is bonded by blood, and forcefully demonstrated the unbreakable vitality of our friendship. It marks an important juncture for the peoples of the two countries to further strengthen the common struggle for peace, socialism, and communism. We are very satisfied with this."

The message says: Our delegation has witnessed and been deeply impressed by the Chinese people's achievements under the correct leadership of the leading core of the CPC in the struggle to uphold the four cardinal principles and realize the four modernizations.

The message continues: "I believe that the traditional brotherly friendship and unity between the two parties, countries, and peoples will surely prosper and develop further in an all-round way from generation to generation. I wholeheartedly wish you and the Chinese people greater achievements in building socialism with Chinese characteristics and accomplishing the sacred cause of completely reunifying China."

XINHUA REPORTS ON CLOSE SINO-KOREAN FRIENDSHIP

OW200749 Beijing XINHUA Domestic Service in Chinese 0531 GMT 19 May 87

[By XINHUA correspondent Zhao Dean]

[Excerpts] Shenyang, 19 May (XINHUA) — China and Korea are linked by common mountains and rivers, and are as closely related as lips and teeth. Just like a strip of blue ribbon, the mighty Yalu River closely links the hearts of the two peoples. For several decades, the peoples on both sides of the river have been as dear to each other as brothers. They continue writing new chapters to the annals of the Sino-Korean friendship. What we mention here are some events reflecting the profound friendship between China and Korea.

## Another Jewel on the Yalu River [subtitle]

The Korean people's great leader President Kim Il-song passed through Dandong on his way home from China on 26 September 1982. In the VIP lounge of the railway station, President Kim smilingly inquired about the development of the Taiping Wan Power Plant. Several years have passed since then. This jewel on the Yalu River has already glittered lustrously.

The Taiping Wang Power Plant is a riverbed-type power station built as a Sino-Korean joint venture. It is the fourth cascade power plant on the Yalu River jointly used by China and Korea at present. [passage omitted] Right now, the Taiping Wan Power Plant has already become a tourist attraction in the Dandong area.

**"May 1" Festival in Dandong [subtitle]**

In the early morning of this year's "May 1" International Labor Day, 100 model workers and several hundred young people in Dandong City gathered at the Yalu River Bridge to welcome the 100 Korean model workers led by Ku Kon-ho, chairman of the Sinuiju Committee of the Korean Federation of Trade Unions, who came to Dandong to mark the "May 1" International Labor Day. In recent years, there have been frequent contacts between Dandong City and Sinuiju City, between children and young people as well as the representatives of the working class from both countries. [passage omitted]

**Strong Brotherly Feelings on the Yalu River [subtitle]**

The peoples on both sides of the Yalu River drink water, sail their boats, and catch fish in the same river. Whenever an accident occurs, they also rescue and help each other. According to incomplete statistics compiled in 1986, Korean brothers helped Chinese boats in distress seven times, and rescued a total of 58 people, while Chinese comrades helped Korean boats five times, and rescued a total of 16 people. [passage omitted]

**BEIJING COMMENTARY TO U.S. ON KIM IL-SONG'S VISIT**

OW241110 Beijing in English to North America 0000 GMT 22 May 87

[Wei Liang commentary]

[Text] The long-standing friendship between China and Korea was created and fostered jointly by former Chinese leaders Mao Zedong and Premier Zhou Enlai, and Korean leader Kim Il-song. Over the decades, this relationship has been constantly strengthened. Leaders of the two countries have visited each other frequently. President Kim Il-song's present visit will surely push this relationship further.

For over half a century, President Kim Il-song has led the Korean people in the struggle to safeguard national independence and build socialism. The northern part of the Korean peninsula now enjoys political and military independence and the ability to defend its soil. It adheres to an independent foreign policy and has been playing an active role in opposing imperialism and defending world peace.

The Chinese people are greatly inspired by every achievement made by the Korean people. Nearly 60 million Korean people share a common aspiration -- the peaceful reunification of the motherland. The Korean Government has made unremitting efforts in that direction. In 1980, President Kim Il-song put forward a program for setting up a Democratic Confederation of Koryo on the Korean peninsula. In 1984, the Korean Government proposed a tripartite conference among the northern and southern parts of Korea and the United States, which still maintains a military presence in South Korea. At the end of last year, Pyongyang again proposed that a high-level political and military conference be convened between the North and South. China supports the Korean people in the struggle for independence and peaceful reunification. These proposals by Pyongyang indicate a correct and reasonable way to achieve this goal.

China has consistently maintained that the question of Korea be resolved by the Korean people themselves through peaceful consultations and without outside interference. China and Korea are neighbors as close as brothers. Their friendship has been tested by history, and therefore enjoys a great vitality.

BEIJING COMMENTARY TO KOREA ON KIM IL-SONG VISIT

SK220920 Beijing International Service in Korean 1100 GMT 21 May 87

[Article by station commentator (A Myong): "The Chinese People Warmly Welcome President Kim Il-song's Visit to China"]

[Text] Today Comrade Kim Il-song, the old-time friend of the Chinese people and the great leader of the Korean people, has arrived in Beijing for an official goodwill visit to our country. This is another happy event in the history of China-Korea friendship.

Over the past years, the relations between the two parties and countries have been very friendly and the leaders of the two sides have exchanged visits with one another through frequent mutual visits, which they have paid as if they were visiting their relatives. This excellent tradition of such deep China-Korea friendship has been jointly fostered by the late Chairman Mao Zedong and the late Premier Zhou Enlai and by President Kim Il-song.

In October last year, Comrade Li Xiannian, president of our country, paid a visit to the DPRK, and today President Kim Il-song has come to China for a visit. Thus, the frequent mutual visits and the direct conversations between the leaders of the two parties and countries will certainly play a very important role in developing the friendly relations between the peoples of the two countries.

Over the past decades, under the leadership of President Kim Il-song, the Korean people have won a great success in all areas of socialist construction. After successfully fulfilling the Second 7-Year Plan, they are now struggling to attain the even higher long-range goals of the eighties. The Chinese people truly rejoice over the Korean people's success, as if it were their own.

Over the past years, the DPRK and the Government of the Republic have made steady efforts to achieve the independent and peaceful reunification of Korea. In particular, the proposal for the establishment of the Democratic Confederal Republic of Koryo, which President Kim Il-song put forth in 1980, has illuminated the correct direction and way to achieve the peaceful reunification of Korea.

The Chinese people have always directed interest to the situation on the Korean peninsula and firmly and invariably supported all rational assertions and proposals of the Workers Party and the Government of Korea to alleviate the situation on the Korean peninsula and seek independent and peaceful reunification.

We hold that the Korean question must be settled peacefully through negotiation by the Korean people themselves without the interference of foreign force.

China and Korea are linked by the same mountains and rivers and are as close as lips and teeth. The peoples of China and Korea share joys and sorrows with one another like brothers.



The visit which President Kim Il-song is paying to our country at this time will certainly obtain a satisfactory result and will add another chapter to the history of the relations between the peoples of the two countries, which will be passed on forever.

XINHUA REPORTS SOUTH KOREAN CABINET RESHUFFLE

OW261610 Beijing XINHUA in English 1438 GMT 26 May 87

[Text] Beijing, May 26 (XINHUA) — South Korean "President" Chon Tu-huan sacked his "prime minister" and other high-ranking "ministers" on Tuesday to ease widespread opposition worsened by reports of police torture, reports reaching here said today.

Chon named Yi Han key, a retired law professor, to replace "Prime Minister" No Sin-yong who submitted a collective letter of resignation for his entire 26-member cabinet, the reports said.

Chon chose to fire only Lho, three top "ministers" and several senior "government officials.

The cabinet reshuffle come less than a week after new revelations about a police cover-up of the January death of Seoul National University student Pak Chong-chol.

Pak, 21, died January 14 in police custody several hours after he was detained for question about his membership in a banned radical student group, the reports said.

Officials later said two police officers tortured Pak by pushing his head into a tub of water twice for up to two minutes.

After Pak's death, there were dozens of protests in South Korea calling for an end to police torture and a complete and open investigation.

Before these resignations, prosecutors questioned five senior police officers to determine if they tried to protect those responsible for the student's death.

Opponents of Seoul authorities became increasingly active after Chon said last month he was postponing constitutional reforms. Without the reforms, his successor would be elected by the country's electoral college.

The opposition, which demands direct presidential election by popular vote, was expected to continue its protests despite the cabinet shake-up, the reports said.

YUNNAN TROOPS REPULSE 41 VIETNAMESE ATTACKS

HK270420 Beijing XINHUA Hong Kong Service in Chinese 0141 GMT 27 May 87

[Text] Yunnan frontline, 27 May (XINHUA) — Within 5 days, the first platoon of the 8th company of a certain division of the Yunnan frontier troops repulsed 41 assaults and surprise attacks launched by the Vietnamese troops, killed a number of the enemy, and firmly safeguarded their position.

The first platoon was stationed on an unnamed height in the forward position of Hedong Shan. As the height stands isolated, it can be attacked from three sides. In the early morning not long ago, a reinforced enemy platoon launched a surprise attack on the height from three sides under the cover of some rain and dew. At once, the sound of guns, grenades, and explosions broke the silence. In the face of extremely vicious enemies, the 31 fighters of the platoon held fast to their position like steel nails. Deputy squad leader Huang Ziguo, from prosperous south China, shot in turns with machine and tommy guns from the trench and repulsed the frontal attack by the enemies, with the help of the new soldiers who loaded the guns for him. To get a better shot at the enemy, he jumped out of the trench with a tommy gun and took cover behind a rock in some bushes. He kept on fighting even after he was seriously wounded. Fighter Zhu Ligu shot down five or six of the enemy with only one clip of ammunition at close range. After being wounded in the waist and unable to stand up, he leaned on the edge of the trench and fired tommy guns and threw grenades, preventing the enemy from getting any closer.

The more disastrous the defeats the enemy suffered, the more crazily they stepped up the attacks. For 3 days at a stretch the Vietnamese troops took turns launching assaults and surprise attacks on one of our unnamed heights with varying military strength. Ignoring fatigue, thirst, and hunger, the fighters of the first platoon staunchly resisted the enemy attacks. With both bravery and tactics, they fought nimbly and killed the enemy wherever they appeared.

On the fifth day, enemy platoons once again forced an attack on one of our unnamed heights. Facing death unflinchingly, the fighters were determined to fight to the last drop of their blood. While commanding the fighting, platoon leader Lu Dehung encouraged them, saying that as the people trusted them with the position, they should hold it fast and never surrender it. Fighter Shi Sanbao from Shaanxi killed four enemy soldiers in succession. The 18-year-old fighter Wang Aijun, from Beijing, held back enemy troops from a most dangerous sentry post. First Squad leader Zhang Maozhong fought single-handedly a whole squad of the enemy. Even though he was wounded many times, he still kept fighting for 7 hours. Because of the heroic counterattacks by the fighters, the enemies fled helter-skelter. Thereafter, the good reputation of "the position of iron and steel" spread all over the Lao Shan frontline.

QIAO SHI LEAVES FOR BURMA, NEPAL, BANGLADESH

OW220626 Beijing XINHUA in English 0600 GMT 22 May 87

[Text] Beijing, May 22 (XINHUA) -- Chinese Vice-Premier Qiao Shi left here this morning by air on a visit to Burma, Nepal and Bangladesh.

Qiao was invited by the governments of these three countries.

Chen Junsheng, secretary general of the State Council, and the ambassadors of the three countries saw him off at the airport.

## Arrives in Rangoon

OW231638 Beijing XINHUA in English 1515 GMT 23 May 87

[Text] Rangoon, May 23 (XINHUA) — Chinese Vice-Premier Qiao Shi arrived here this afternoon for a five-day official visit at the invitation of the Burmese Government. This is Qiao's first official visit to Burma after he became vice-premier in 1986.

Greeting Qiao at the airport were Deputy Prime Minister and Planning and Finance Minister U Tun Tin and other government officials. At Rangoon air terminal, a written statement was given in which Qiao Shi said: "It is the firm policy of the Chinese Government to further strengthen friendly and good-neighborly relations with Burma."

"I hope that my current visit will help enhance our mutual understanding, trust and friendship, and further consolidate and develop the friendly relations and cooperation between the two countries and the traditional paukphaw [as received] sentiments between our two peoples," he said.

It is learned that Qiao will meet Government leaders and tour Taunggyi, Mandalay and Pagan during his visit. Qiao Shi and his entourage, including Deputy Secretary-General of the State Council Zhang Wenshou, will visit Nepal and Bangladesh after their stay in Burma.

## Praises Bilateral Ties

OW231835 Beijing XINHUA in English 1804 GMT 23 May 87

[Text] Rangoon, May 23 (XINHUA) — Visiting Chinese Vice-Premier Qiao Shi here today praised Burma for persistently pursuing the independent and active foreign policy in international affairs. At the banquet given in his honor by Deputy Prime Minister U Tun Tin this evening, Qiao said that China and Burma, both Third World countries, share the desire to maintain peace and work for development on the basis of the five principles of peaceful coexistence.

Both Qiao and U Tun Tin expressed the hope to further develop friendly relations between their countries.

U Tun Tin said that the traditional friendship between Burma and China has stood the test of time. He also noted that Vice-Premier Qiao Shi's visit to Burma this time will advance the friendship between the two countries. Both sides should make joint efforts to maintain and develop the fine tradition of the friendship between the two peoples, he said.

Qiao said, "We will firmly pursue the independent foreign policy of peace, resolutely oppose hegemonism and strive to develop friendly relations and cooperation with other countries, particularly our neighbors, on the basis of the five principles of peaceful coexistence." And "we are ready to join the Burmese friends in making unremitting efforts to develop Sino-Burmese friendly relations and the traditional friendship between the two peoples."

Qiao had called on U Tun Tin, concurrently planning and finance minister and had had a talk with him before the banquet. Qiao and his party arrived here today for a five-day visit to the country.



SINO-INDIAN TRADE PROTOCOL SIGNED IN BEIJING

OW271016 Beijing XINHUA in English 1002 GMT 27 May 87

[Text] Beijing, May 27 (XINHUA) — A trade protocol between the governments of China and India for the period January 1, 1987 to March 31, 1988 was signed here this afternoon. According to the document, the contracting parties agree to set the total value of bilateral trade at about 150-200 million U.S. dollars.

Present at the signing ceremony were Minister of Foreign Economic Relations and Trade Zheng Tuobin, and an Indian Government trade delegation led by Secretary of Ministry of Commerce Prem Kumar. Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and Kumar signed the protocol on behalf of their respective governments.

Prior to the signing ceremony, Zheng met with the delegation.

The delegation arrived here May 24 at the invitation of Lu Xuejian. During its stay in Beijing, the delegation exchanged views with the Chinese Ministry of Foreign Economic Relations and Trade on the expansion of bilateral trade.

LI XIANNIAN MEETS FORMER NEPALESE PRIME MINISTER

OW250828 Beijing XINHUA in English 0659 GMT 25 May 87

[Text] Beijing, May 25 (XINHUA) — Chinese President Li Xiannian met here this morning with former Nepalese Prime Minister Kirti Nidhi Bista and his wife. Welcoming Bista on his eighth visit to China, Li said he was pleased to see the continuous growth of Sino-Nepalese friendly relations.

Li and Bista exchanged views on some issues of common interest.

The Nepalese guests came here May 23 at the invitation of the Chinese People's Association for Friendship With Foreign Countries. They are scheduled to visit Guangzhou and Shenzhen before going home.

TIAN JIYUN MEETS NEPALESE TRADE DELEGATION

OW250940 Beijing XINHUA in English 0825 GMT 25 May 87

[Text] Beijing, May 25 (XINHUA) — Chinese Vice-Premier Tian Jiyun conferred here today with a Nepalese Government economic and trade delegation led by Bharat Bahadur Pradhan, minister of state for finance and industry.

The host and guests agreed to make joint efforts to explore new channels and ways to ensure continued growth of Sino-Nepalese economic cooperation and trade.

The visitors arrived here on May 19 to attend the third new channels and ways to ensure continued growth of Sino-Nepalese economic cooperation and trade.

The visitors arrived here on May 19 to attend the third meeting of the Sino-Nepalese intergovernment economic and trade committee.

Minutes of the meeting was signed by State Minister Pradhan and Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin later today.

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PRINCESS MARGARET CONTINUES GOODWILL VISIT TO PRC

OW260543 Shanghai City Service in Mandarin 2200 GMT 24 May 87

[Excerpt] Mayor Jiang Zemin gave a banquet in honor of British Queen Elizabeth II's sister, Princess Margaret, and the latter's son and daughter at the Jingan Guesthouse on the evening of 24 May.

Mayor Jiang Zemin extended a warm welcome to Princess Margaret on her visit to Shanghai. The host and guest had a cordial conversation, and wished, from the bottom of their hearts, that Sino-British friendly and cooperative relations, and the friendship of the people of the two countries, would continually develop. [passage omitted]

Visits Guangzhou

HK261415 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1252 GMT 26 May 87

[Report: "Princess Margaret Arrives in Guangzhou for a Visit"]

[Excerpts] Princess Margaret, younger sister of Queen Elizabeth II of Great Britain, and her party arrived in Guangzhou this afternoon.

Princess Margaret, wearing a brightly-colored skirt with a blue background, was warmly welcomed at the airport by Yang Li, Deputy governor of Guangdong Province, and Shi Haian, deputy mayor of Guangzhou City. [passage omitted]

This evening, Ye Xuanping, governor of Guangdong Province, will hold a banquet to welcome Princess Margaret in the China Grand Hotel where Princess Margaret is staying.

Guangzhou is the last stop of Princess Margaret's visit to China. Tomorrow, Princess Margaret will visit the famous South China Botanical Garden and Dr. Sun Yat-sen's Memorial Hall. Princess Margaret will board a plane to Hong Kong in the afternoon.

LI PENG MEETS ITALIAN ENERGY DELEGATION

OW220858 Beijing XINHUA in English 0758 GMT 22 May 87

[Text] Beijing, May 22 (XINHUA) -- Chinese Vice-Premier Li Peng told leading members of an energy delegation from Italy that China invites Italian cooperation in the energy sector at a meeting here today.

Formed by 150-plus energy specialists and entrepreneurs, the delegation arrived Wednesday for a three-day symposium on nuclear, conventional and new energy, which began here yesterday.

CHEN MUHUA MEETS, GREETs FINNISH BANKERS

OW241114 Beijing XINHUA in English 1041 GMT 24 May 87

[Text] Beijing, May 24 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, met and gave a dinner in honor of a delegation from the Bank of Finland, led by Governor Rolf Kullberg here today.

IRANIAN OFFICIAL DOES NOT DENY ARMS SALE REPORTS

HK221050 Hong Kong AFP in English 1041 GMT 22 May 87

[Text] Beijing, May 22 (AFP) -- An Iranian Foreign Ministry official speaking here Friday declined to deny Western reports that China is one of Iran's principal arms suppliers.

"We buy weapons from any country, with the exception of South Africa, Japan and Israel," Iran's Deputy Foreign Minister for Political Affairs Hosey Sheykh ol-Eslam told reporters.

Mr Sheykh ol-Eslam, in Beijing to discuss Iranian-Chinese relations and the Gulf war, said that it was not his country's policy to announce its arms suppliers.

China has denied supplying arms to Iran and has repeatedly asserted its neutrality in the seven-year old Gulf war between Iran and Iraq.

Recent U.S. satellite pictures reportedly show land-based anti-ship missiles, apparently of Chinese origin, deployed by Iran to cover the strategically-important Strait of Hormuz

A recent report by the U.S. Congressional Research Service said China has sold Iran a wide-range of military equipment including anti-aircraft missiles, artillery, anti-ship missiles, gun barrels and ammunition.

Reports in the Arab press similarly alleged recently that China had concluded two deals to supply Iran with Chinese-made copies of Soviet weapons and material between 1985 and 1986.

Mr Sheykh ol-Eslam refused to confirm or deny reports that Iran had sold arms to guerrillas in Afghanistan, saying that the issue was a "sensitive matter."

Western military experts here said Beijing had since 1984 exported HY-2 anti-ship missiles, a Chinese version of a Soviet missile that China uses for coastal defense.

Chinese officials, who have acknowledged the exports to countries other than Iran, said recently the government had begun a "serious investigation" into the possibility that a third country might have sold Iran the weapons.

WAN LI MEETS IRANIAN DEPUTY FOREIGN MINISTER

OW230556 Beijing XINHUA in English 0544 GMT 23 May 87

[Text] Beijing, May 23 (XINHUA) -- Chinese Vice-Premier Wan Li met with Iran's deputy Foreign Minister Sheykh ol-Eslam, special envoy of the Iranian Prime Minister Hoseyn Musavi, and his party here today.

Ol-Eslam briefed the Chinese vice-premier on Iran's position concerning the latest developments in the Gulf and the Iran-Iraq war.

Wan expressed his concern over the recent tension in the Gulf region and urged the two countries to stop their war and resolve their disputes on a fair and reasonable basis and under terms acceptable to both sides.

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By doing so, he said, the two sides could avoid further losses, while easing the tension in the Gulf and preventing the outside forces from meddling in the Gulf affairs.

Even if the war could not stop immediately, Wan Li continued, China hoped that the parties concerned would refrain from further aggravating the situation and guarantee the safety and free navigation in the Gulf region.

He said China always held that the Gulf affairs should be handled by countries along the Gulf coast.

Ol-Eslam and his party arrived in Beijing May 21 as guests of Chinese Vice-Foreign Minister Qi Huaiyan. Qi and Ol-Eslam had talks May 22 on the situation in the Gulf region and the Iran-Iraq war.

Two Sides Confer

LD232328 Tehran IRNA in English 1540 GMT 23 May 87

[Text] Tehran, May 23, IRNA -- Iran is determined to continue her defense in the Iraqi-imposed war until downfall of the Iraqi regime despite all plots hatched by the East and West to save Ba'thist ruler Saddam Husayn.

The remark was made by the Iranian Deputy Foreign Minister for Political Affairs, Hoseyn Sheykh ol-Eslam, in a meeting with his Chinese counterpart in Beijing Friday.

The two sides also discussed bilateral relations as well as important regional and international issues in the session, where Sheykh ol-Eslam expressed satisfaction over expanding Tehran-Beijing relations.

The Chinese official also said his country is satisfied with its relations with Iran noting that China is fully ready to further expand its ties with the Islamic Republic. He termed such meetings between the two countries' officials as "fruitful."

On the Persian Gulf issue the Chinese deputy foreign minister said his country opposes superpowers' presence in this strategic region. China believes that the security of the Persian Gulf should be maintained by its littoral countries.

Sheykh ol-Eslam heading a delegation arrived in Beijing from Tokyo Thursday.

TUNISIA'S MABROUK SATISFIED WITH PRC VISIT

OW210850 Beijing XINHUA Domestic Service in Chinese 0701 GMT 19 May 87

[Text] Tunis, 18 May (XINHUA) -- In an interview with a XINHUA reporter today, Tunisian Foreign Minister Mabrouk expressed satisfaction with the outcome of his visit to China.

He said that during the visit, he "witnessed the great vitality for development possessed by the large nation of China, the tremendous efforts exerted by the Chinese people to meet the challenge of the times, and a noble and brilliant nation with a longstanding culture and dedication to the cause of peace and justice."



He said: In the name of the seven-nation committee, he and the Arab delegation he led briefed the Chinese side on the tragedy of the Iran-Iraq war. He said: "I found out that the Chinese leaders fully understand the situation. Like us they are concerned about the situation, and are even more willing than us [as received] to work for peace."

He pointed out: "I am very pleased to note that the great Chinese people and leaders have always paid close attention to the Palestinian people's struggle to restore their sovereignty. They are very sympathetic with the PLO and are willing to support the Palestinian people in their effort to bring to an end their poverty-stricken and insecure life as refugees in various camps. This has aroused my admiration for the Chinese people."

Foreign Minister Mabrouk returned to Tunis on Monday evening.

#### RENMIN RIBAO VIEWS ESCALATION OF GULF TANKER WAR

HK250646 Beijing RENMIN RIBAO in Chinese 24 May 87 p 6

["Roundup" by Chen Weiyuan (7115 0251 3293)": "Escalation of Tanker War in the Gulf"]

[Text] The "tanker war" between Iran and Iraq in the Strait of Hormuz has continually intensified recently. A Soviet freighter was attacked by the Iranians in the Gulf on 7 May. On 17 May, the U.S. Missile destroyer "Stark" was attacked in error by an Iraqi plane, and the U.S. President ordered on 18 May that all U.S. warships in the area be placed on the highest state of alert and fire on aircraft approaching U.S. ships "with hostile intent." The heightening tension in the Gulf has aroused extremely great concern in the international community.

The Strait of Hormuz, located on a busy international oil navigation route, occupies an extremely important strategic and economic position. Ninety percent of the oil from the Gulf states is shipped along this route to the world. Since the outbreak of the Iran-Iraq war, the two sides have expanded from fierce ground fighting to the war on the cities and the war on tankers, in order to choke each other's oil exports and weaken their economic strength. According to incomplete statistics, more than 200 tankers have been attacked in the Gulf since 1984, and tanker movements through the Strait of Hormuz have declined from an average of one every 10 minutes to 40-45 a day, while exports of oil have dropped by nearly two-thirds.

Since Iran has accused Kuwait of supporting Iraq, Kuwaiti tankers are one of the prime targets for attack. Fourteen of its tankers have been attacked since last September, and some cargoes have been confiscated also. For this reason, last November Kuwait requested the United States and the Soviet Union to help in ensuring the safety of navigation. In April this year, the Soviet Union agreed to lease Kuwait three tankers flying the Soviet flag and to have them escorted by Soviet warships stationed in the region. In view of this move, the United States also expressed positive willingness to lease ships. In early May, U.S. Assistant Secretary of State Murphy said when visiting the Gulf states that tankers belonging to Kuwait and other Gulf states were welcome to fly the American flag.

On the question of leasing tankers of the Gulf states, Iran has explicitly declared that all foreign ships loaned to Kuwait and all foreign warships attempting to threaten the security of the Gulf will be attacked by Iran. Iran will also continue to intercept and inspect freighters no matter what flag they are flying. [paragraph continues]

Iran has also denounced the Soviet position of supporting Iraq as "unacceptable."

The grave situation in the Gulf has aroused unease among the Gulf states and in the entire Arab world. The Gulf states hold frequent consultations with other quarters concerned to study countermeasures. The Soviet deputy foreign minister and the U.S. assistant secretary of state respectively visited the Gulf states at the end of April and the beginning of May. It is very unusual for the two superpowers to both express concern over the security of the Gulf navigation route and to agree to escort tankers for the Gulf states. After Iran deployed missiles near the Strait of Hormuz back in March, the United States, giving as its reason the maintenance of safety on the Gulf navigation routes, assembled a force of 18 warships, including the carrier "Kittyhawk" in the northern part of the Indian Ocean and in waters close to the Gulf. Several Soviet warships have also entered the Gulf. Those who hope for safety of navigation may find it hard to predict the consequences of superpower entry into the Gulf conflict.

#### CHEN MUHUA ATTENDS CAMEROONIAN ENVOY'S RECEPTION

OW201302 Beijing XINHUA in English 1153 GMT 20 May 87

[Text] Beijing, May 20 (XINHUA) -- The 15th anniversary of the national day of the Republic of Cameroon was marked at a reception held here today by Cameroonian Ambassador to China Jean Keutcha.

Chinese State Councillor Chen Muhua attended the reception.

#### CHEN MUHUA MEETS BOTSWANA HEALTH DELEGATION

OW201431 Beijing XINHUA in English 1405 GMT 20 May 87

[Text] Beijing, May 20 (XINHUA) -- State Councillor Chen Muhua met here today a delegation from Botswana led by Lesedi Mothibamele, minister of health of Botswana.

Chen Minzhang, minister of public health, was among those present at the meeting.

The delegation has come to China to see the urban and rural medical and public health facilities, primary health work and epidemic prevention institutions and develop the friendly cooperation between the two countries.

The visitors arrived here May 18 as guests of the Chinese Ministry of Public Health.



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PLA TO TRANSFER 100,000 OFFICERS TO CIVILIAN WORK

HK270401 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0203 GMT 27 May 87

[Text] Beijing, 27 May (ZHONGGUO XINWEN SHE) — According to a decision of the State Council and Central Military Commission, more than 100,000 PLA officers will be transferred to civilian work this year.

JIEFANGJUN BAO reported today that the Army officers will be transferred mainly to local judiciary, industrial and commercial administration, taxation, banking, and insurance departments. These departments have planned to receive more than 70,000 Army officers this year.

It has been reported that the officers transferred in this year's Army streamlining have the highest educational level compared with those transferred in previous years. Those with senior secondary school or technical secondary school education level account for 92.1 percent of the total. Moreover, the large proportion of young and technical cadres is also a characteristic of the Army officers transferred to civilian work this year.

Meeting Discusses Jobs

OW261918 Beijing XINHUA in English 1534 GMT 26 May 87

[Text] Guangzhou, May 26 (XINHUA) — China will provide jobs for 100,000 demobilized soldiers who transferred to civilian work this year, XINHUA learned today.

"China's goal of cutting the number of troops by one million is expected to be finished this year," said a government official at a national meeting on the settlement of former soldiers, which opened today in Guangzhou, capital of Guangdong Province.

So far, about 320,000 officers and 410,000 soldiers have quit active service and were given jobs in their hometowns.

"Those who became disabled in battle, performed heroic deeds for the revolution and worked as pilots and divers for a long time will be given preference in settlement," the official said.

To make the transition to civilian life easier, local governments have set up many training bases which are fully equipped with regular teachers. Following their training some ex-service personnel started their own businesses that have helped develop local farm economies. Local departments also built houses for the soldiers and solved work and education problems for their families.

Zhao Dongwan, minister of labor and personnel, Ye Xuanping, governor of Guangdong Province, and other military and government leaders delivered speeches at the meeting.

JINGJI RIBAO COMMENTS ON REFORM, OPENING UP

HK220830 Beijing JINGJI RIBAO in Chinese 14 May 87 p 1

["Today's Commentary": "Have a Deep Understanding of the Relationship of Dialectical Unity Between Upholding the Four Cardinal Principles and Reform and Opening Up"]

[Text] The CPC Central Committee has repeatedly pointed out that the line of the 3d Plenary Session of the 11th CPC Central Committee has two basic points: 1) Upholding the four cardinal principles and 2) Adhering to reform and opening up. The four cardinal principles represents our fundamental political orientation and is the foundation for building our country. Reform and opening up are our general principle and policy for building socialism. These two are as close as lips and teeth and supplement each other. Neither can be dispensed with.

The practice of many years has proved that in our country, if we do not uphold the four cardinal principles, we will get lost, cannot maintain a political situation of stability and unity, and cannot carry on the reform. If we do not carry out reform and open up to the outside world, our "four modernizations" cannot develop rapidly, socialism will be less attractive and convincing, and the four cardinal principles cannot be properly upheld. This will also create an opportunity for the unchecked spread of bourgeois liberal ideas and in fact help bourgeois liberalization along. These two basic points are united as one, and neither one can be excluded by the other. With the in-depth development of the struggle against bourgeois liberalization, people have now deepened their understanding of the harmfulness of failing to uphold the four cardinal principles. But quite a few people have failed to pay much attention to the problem that failing to adhere to reform and opening up will also encourage bourgeois liberalization. Some people often consciously or unconsciously set reform and opening up against upholding the four cardinal principles. When hearing reform and opening up, they think that it is not necessary to uphold the four cardinal principles. When hearing upholding the four cardinal principles, they think that the party will "tighten" the policy on reform and opening up. When knowing that there are some problems in economic development, they would take a skeptical attitude toward reform and opening up. Some people even think that reform and opening up is the cause of bourgeois liberalization and hence criticize or resist the current effective policies on reform. These ideas are wrong and run counter to our practical situation and to the direction of our advance.

The task we now face is to deepen the struggle against bourgeois liberalization, to deepen economic structural reform, and to gradually conduct political structural reform. The pace of reform and opening up will not slow down, but will be quickened. To meet the needs of the new situation, we must, while conducting education in upholding the four cardinal principles and opposing bourgeois liberalization, strengthen theoretical research and propaganda work on reform and opening up. It must be noticed that the four cardinal principles have been stressed time and again since the foundation of the PRC, but reform and opening up was only put forth at the 3d Plenary Session of the 11th CPC Central Committee. Both reform and opening up are new things, and it is understandable that people have different ideas on them. Therefore, we must understand the relationship between upholding the four cardinal principles and reform and opening up under the new situation. In connection with the practice and achievements in reform over the past 8 years and in connection with China's national conditions, we must expound the necessity, protractedness, complicatedness, and arduousness of reform and opening up, so that the vast numbers of cadres and masses can deepen their understanding, know the relationship of dialectical unity between upholding the four cardinal principles and reform and opening up, realize that the way out for China's economic invigoration lies in reform, and push forward the grand cause of reform.

MEETING HELD ON FOUR CARDINAL PRINCIPLES

HK260935 Beijing GUANGMING RIBAO in Chinese 11 May 87 p 3

["Trend" column by Hou Mingan (0186 0682 1344): "Roundup on Theoretical Discussion Meeting on Adhering to the Four Cardinal Principles and Opposing Bourgeois Liberalization"]

[Text] A theoretical discussion on adhering to the four cardinal principles and opposing bourgeois liberalization was jointly held by the Beijing Regional Cooperative Center of military institutes and academies and the National Defense University Journal office between 25 and 28 March. A roundup of the major issues under discussion at the meeting follows:

The meeting made in-depth analysis and criticism on the concepts of those people pursuing bourgeois liberalization in opposing the socialist road -- such as the theory of transcendence, the theory of failure, and the theory of total Westernization.

The participants of the meeting believed that, in the age of imperialism and proletarian revolution, it was impossible for China to develop capitalism independently; and the Chinese revolution could only be a component part of the world proletarian socialist revolution. So it was a matter of course that China was guided onto the socialist road after the victory of the new democratic revolution. Theoretically, Marx and Engels pointed out not only the general law governing the development of human society, but also a specific law governing historical leap under given conditions. Therefore, the theory of transcendence as well as the theory of making up for missing out capitalism do not hold water.

The participants held the view that, in comparing the advantages and disadvantages between socialism and capitalism, we should avoid a one-sided, superficial, and static view in our observation, but observe matter in all all-round way, getting into its nature in its development. We should not compare them in their present economic and technological levels, disregarding their original bases, social and historical conditions, rates of development, the spiritual and ethical conditions as well as the economic and political status of their peoples. Our subjective mistakes are not the inevitable results of the implementation of the socialist system; on the contrary, they result from the violation of the socialist principle. It is entirely wrong to regard mistakes in the process of socialism as the essential expression of socialism, and to proceed to negate socialism on such grounds.

The participants believed that reform, opening up, and invigorating the domestic economy, and adherence to the four cardinal principles are the two basic points in the line since the 3rd Plenary Session of the 11th CPC Central Committee; they are interdependent and supplementary to each other. The adherence to the four cardinal principles and the adherence to the principle of reform, opening up, and invigorating the domestic economy are unified in the practice of building socialism with Chinese characteristics. Attaching importance only to the four cardinal principles while neglecting reform, opening up, and invigorating the domestic economy would result in the repetition of "leftist" practice; while paying attention only to reform, opening up, and invigorating domestic economy will lead to rightist tendencies. The theory of total Westernization severs the link between the two principles, with the objective of replacing socialism with capitalism in an overall way.



On the relation between the type of democracy and the level of development, the participants of the meeting held the view that the type of democracy refers to the class nature of democracy; the level of development refers to the degree of the completeness and perfection of the democratic system and the degree of fulfillment of the democratic principle. In the relation between the two, the type of democracy is basic and decisive, while the level of development also acts on the type of democracy. Socialist democracy is the highest, and most genuine type of democracy of the widest scope in history; however, it does not mean that socialist democracy has been complete and perfect and highly developed from the very start; on the contrary, it also has had a process of development in becoming complete and perfect. The "strife" for democracy as proposed by Fang Lizhi and Wang Ruowang was in essence encouraging people to deal with the party and the people with means used to deal with reactionaries. The participants pointed out that high levels of science and culture, scientific spirit and a sense of democracy are the prerequisite conditions for the realization of a high level of democracy. Therefore, the fulfillment of a high level of socialist democracy will be a long-term process of construction.

On the question of why it is impossible for us to implement the multi-party system of the West, the participants believed that the objective of the capitalist countries in implementing the dual-party or multi-party system lies in coordinating the interests between capital groups, preventing the monopoly of any individual capital group and its representatives in political parties or some individuals, and placing the government under the control of the bourgeoisie as a whole, through the mutual competition and restrictions of various bourgeois political parties. Under socialist conditions, no conflicts of basic interests exist inside the working class and between it and other laboring people; neither do antagonistic political groups and political parties exist. The CPC is the core of leadership of the Chinese people, and the choice of history. China implements the system of multi-party cooperation under the CPC leadership. The democratic parties are neither parties "out of office" nor "the opposition." Such a political system is favorable to the mutual supervision between the CPC and other democratic parties, and between all parties and the people as well as to centralization, unification, and political stability.

The participants of the meeting pointed out that some people say Marxism is just one of many academic schools; such a proposition is entirely wrong. True, Marxism at its birth was one of many academic schools, but it won complete victory in the working class movement through struggle because of its nature of thorough revolution and strict scientific value. It was then that Marxism no longer remained in the position of just one of many academic schools, but became the sole ideology guiding the proletarian socialist revolution. The guiding role of Marxism-Leninism-Mao Zedong Thought in all specific branches of sciences is not self-proclaimed, or artificially imposed, but determined by the inherent relations between it and all branches of specific science. The development of Marxism-Leninism-Mao Zedong Thought as a scientific world outlook and methodology should be based on all branches of specific sciences and their materials; while all branches of specific sciences should come under the guidance of Marxism-Leninism and Mao Zedong Thought.

The meeting also focused its discussions on such issues as why opposition to bourgeois liberalization is a long-term task, why the intellectuals cannot become "an independent leading force," and how to strengthen work in the ideological and theoretical field, how to evaluate the Marxist theoretical level of the whole party, and how to fight against the unhealthy tendencies inside the party.

DISSIDENT FANG LIZHI CALLS FOR MORE DEMOCRACY

HK261459 Hong Kong AFP in English 1051 GMT 26 May 87

[By Elisabeth Zingg]

[Text] Paris, May 26 (AFP) -- Chinese dissident astrophysicist Fang Lizhi called for political and economic reforms in China's socialist system with increased democracy, in a telephone interview with AGENCE-FRANCE PRESSE Tuesday.

The 50-year-old Mr Fang, whom his admirers call "China's Sakharov" in reference to Soviet dissident physicist Andrey Sakharov, was expelled from the Chinese Communist Party last January for allegedly inspiring student revolts.

Speaking from Rome, where he has been the guest of the Italian Institute of Physics since May 18, Mr Fang said he was for "science and democracy."

"There has been a lot of progress in China but more needs to be done" toward a democratization of the regime, he said.

He stressed the need for economic and political reforms in the socialist system that has been ruling China for nearly 40 years, although he said there were "differences of opinion" on the question of reforms.

The question of reforms is expected to be on the agenda of the next Communist Party congress in the fall and lead to tough talking between the reforming tendency of the party and its conservative leaders.

Mr Fang said he was above all a scientist and that "science requires a democratic climate."

He was demoted in January from the vice-presidency of the technical and scientific university of Hefei, in central China, where the student revolts started off in December.

He was accused of stirring up the revolts with his liberal ideas.

The movement spread out to most Chinese campuses and led to the dismissal of Communist Party Secretary General Hu Yaobang on January 16.

Mr Fang said he supported the demands of his students at Hefei, particularly when they asked for more democracy in local elections.

But he denied reports in the official Chinese press that he had encouraged students to take to the streets to protest.

An internationally-renowned astrophysicist, Mr Fang is now a simple researcher at Beijing's observatory. He said his sacking from the party and Hefei University was a mere "episode in his personal life."

The decision to let such a prominent dissident to travel abroad is unprecedented in Chinese recent history, observers noted.

Leading opponents of the regime are generally barred from travelling to foreign countries and meeting with foreigners.

The trip nearly fell through after the Chinese press carried a scathing campaign against Mr Fang, accusing him of advocating "bourgeois liberalization" and "total westernization" of China.

Mr Fang said he did not know who gave the green light and added that he would return to China when his Italian visit is over in late June or early July.

He travelled twice to Italy last year and once in 1985.

#### RENMIN RIBAO SALUTES FOREST FIREFIGHTERS

HK221001 Beijing RENMIN RIBAO in Chinese 21 May 87 p 1

[Commentator's article: "Pure Gold Proves Its Worth in a Blazing Fire"]

[Text] The great fire that broke out in the Daxinganling forest at the beginning of May has been swallowing people's lives and state property and is torturing the hearts of everyone across the country.

At the same time, under the leadership of party organizations and governments at various levels, tens of thousands of soldiers and civilians have been stubbornly and heroically risking their lives to struggle against the fire. Their spirit of being ready to sacrifice their lives has also deeply moved the hearts of all people across the country.

Facing a fierce fire that has spread over dozens of square kilometers, tens of thousands of PLA officers and soldiers, forest guards, and cadres and people of Daxinganling Prefecture on the first front have only one conviction in their minds: "Man will certainly triumph over nature!" Ignoring exhaustion and fearing no danger, they are fighting bravely day and night with pneumatic fire extinguishers and wet cotton quilts, or curbing the fire with sand banks to protect the people's lives and their property, defend the motherland's forest resources, defend the beautiful border town of Tahe, and defend railway stations, arsenals, and grain storehouses. They are also giving prompt medical treatment to the wounded and making proper arrangements for other fire victims. Numerous heroic and exemplary people have soared like phoenixes from the flames into the sky and their heroic and moving deeds are encouraging others to fight a last-ditch battle against the fire.

In the rear, the hearts of all the people throughout the vast territory of the motherland are linked with those on the forefront fighting the Daxinganling forest fire. Under the leadership of the CPC Central Committee and the State Council and with their concern, the heroic commanders and fighters of the PLA are carrying forward the glorious tradition of "going where there are difficulties" and have gone in large numbers to areas stricken by the forest fire. The railway, forestry, meteorological, civil aviation, material supply, commercial, civil affairs, and other departments are closely coordinating with one another and have taken prompt action. Disaster relief from Helongjiang, Jilin, Liaoning, Shaanxi, Nei Monggol, Beijing, Tianjin, Shanghai, and other places is being continuously transported to the fire-stricken areas. The people of all nationalities of the country are following closely and anxiously the developments of the situation broadcasts by radio and television or published in newspapers. [paragraph continues]



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They are all ready to make their contribution. In the meantime, they understand that doing an even better job at their posts in the spirit of self-dedication of the soldiers and civilians on the forefront of the battle-against the fire is the best way to support the people in the fire-stricken areas.

"Pure gold proves its worth in a blazing fire." The big fire has tested the broad masses of party members and other people who are trying to put it out. The iron will and great strength of unity between the Army and the people have been manifested. Besides, the fine tradition and noble style of everybody helping anyone who is in trouble which is characteristic of our socialist motherland are also reflected in the fight.

Since the founding of New China, we have seen extraordinarily serious natural disasters on many occasions. Under the leadership of the Party, all the people of the country fought hard in unity and overcame them and are now building an increasingly better life for themselves. We are convinced that in the fierce struggle to quench this extraordinarily serious forest fire, the broad masses of the soldiers and civilians of the fire-stricken areas, with the deep concern of the CPC Central Committee and State Council, the powerful leadership of party organizations and people's governments at various levels, and the full support of the people of the whole country, will certainly unite as one, fight heroically, and eventually win victory by completely putting out this extraordinarily serious fire. This unparalleled feat will be written in history as another brilliant page of the heroic struggle of the Chinese people!

Let us express our sympathy and solicitude for the heroes who are putting out the fire and providing relief and show our heart-felt respect for them!

#### LI XIANNIAN CABLE THANKS FIREFIGHTERS

OW261136 Beijing XINHUA in English 1125 GMT 26 May 87

[Text] Beijing, May 26 (XINHUA) -- Li Xiannian, president of the People's Republic of China, expressed gratitude today to the soldiers, forest rangers and ordinary citizens who have been fighting fires in northeast China for 21 days and nights.

In his message, the president called on the firefighters to make greater efforts to win the final victory and rehabilitate their homeland.

The president also praised them for their meritorious deeds in battling the blaze, evacuating victims and rescuing state property.

#### TIAN JIYUN VISITS INJURED FIREFIGHTERS

SK260716 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 25 May 87

[Text] On the evening of 25 May, Tian Jiyun, member of the Political Bureau of the Party Central Committee and vice premier of the State Council; Chen Junsheng, leader of the firefighting guidance group of the State Council and secretary general of the State Council; and Yang Zhong, minister of forestry, arrived in Jiahaqi by plane. Despite fatigue from the journey, they first came to the No 235 hospital and the central hospital under the Forestry Administrative Bureau to express regards to the hospitalized personnel who were injured during fire fighting and relief work. After that, they heard briefings given by (Wang Zhongxiao), deputy commissioner of Da Hinggan Ling Prefecture, on the situation in firefighting and relief.

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On hearing (Wang Zhongxiao's) report on the lack of accommodations for some fire victims, Premier Tian said: The housing problem for the disaster victims should be solved in a planned manner. It is necessary to have an objective in mind.

Yang Zhong, minister of forestry, hurried to Tahe on the evening of 25 May. Tian Jiyun, Chen Junsheng and other leading comrades will go to Tahe by plane on the morning of 26 May.

#### Inspects Forest Fire

OW262330 Beijing XINHUA Domestic Service in Chinese 1319 GMT 26 May 87

[By reporters Zhang Chijian and Huang Zhenggen]

[Excerpts] Tahe, Daxinganling, 26 May (XINHUA) — The huge forest fires that covered some 17,000 square km and burned for 20 days in Daxinganling were completely put out at about 0800 today. Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, was inspecting the firefighting front then, as was Chen Junsheng, leader of the firefighting leading group and secretary-general of the State Council. They spoke highly of the spirit of heroic struggle displayed by PLA commanders and fighters, the forest police, and the cadres and people in the forest districts who battled the fire day and night.

Comrade Tian Jiyun said: Thanks to the tenacious efforts of thousands of soldiers and people, we have won a decisive victory in the battle against the Daxinganling forest fires. Our party and people will never forget the heroes and model persons and their deeds while firefighting. We should not lower our vigilance, but continue persistent efforts to put out residual and hidden fires, prevent them from rekindling, and strive for a complete victory in a short time. [passage omitted]

Sun Weiben, secretary of the Heilongjiang Provincial CPC cadres and fighters Sun said humorously: "All of our fighters are like 'Ji Gong' [a legendary ancient Chinese monk] with shoes, caps, and clothes worn out. How lovely our fighters are!" His remarks raised a laugh. Liu Jingsong, commander of the Shenyang Military Region, was also there and he too broke into laughter. Then he said to the cadres and fighters: "You should continue to heighten your vigilance and watch the fire-stricken area to prevent rekindling."

#### STATE COUNCILLOR ZHANG JINGFU INSPECTS QINGDAO

SK260714 Jinan Shandong Provincial Service in Mandarin 2200 GMT 25 May 87

[Excerpt] From 20 to 24 May, State Councillor Zhang Jingfu inspected Qingdao and other localities in our province. After his arrival in Qingdao, Comrade Zhang Jingfu participated in a technological transformation work conference of enterprises for exporting light and textile products of the coastal cities, which was held by the State Economic Commission and other departments in Jiaonan County, and the national chemical fertilizer production work conference participated in by minor fertilizer plants in Pingdu, which was sponsored by the Ministry of Chemical Industry, and gave speeches respectively at the two conferences.

Comrade Zhang Jingfu inspected the Qingdao Economic and Technological Development Zone, the Pingdu chemical fertilizer plant, the Qindao television set production plant, the refrigerator plant, the No 2 foodstuffs plant, the No 9 rubber plant, and the program-control telephone project. He also held talks with managers of 14 enterprises. [passage omitted]

#### SONG JIANG ATTENDS ART EXHIBITION OPENING

OW240248 Beijing Domestic Service in Mandarin 0930 GMT 22 May 87

[Text] An art exhibition aimed at promoting the use of science and technology to become prosperous in rural areas opened at the China Art Gallery in Beijing today. State Councillor Song Jian attended the opening ceremony. Some 170 pieces of art work on display introduce mainly advanced technologies in agriculture, forestry, animal husbandry, fishery, sideline occupations, ecology, and energy to be popularized in rural areas.

#### CHEN MUHUA SAYS PRC FOREIGN DEBTS NOT EXCESSIVE

OW270958 Beijing XINHUA in English 0939 GMT 27 May 87

[Text] Beijing, May 27 (XINHUA) -- China's foreign debts have not topped the danger mark, according to Chen Muhua, state councillor and governor of China's central bank.

In remarks carried in national newspapers today, she said, "China's foreign debt structure is now rational. This means that the annual amount of money it uses to pay the principles and interests of foreign debts does not exceed 15-20 percent of the annual amount of its hard currency earnings from exports.

"China's guideline on the use of foreign funds is equality and mutual benefit; using them for production rather than for consumption; using them to enhance the country's export capability; and ensuring repayment capability," she said.

The Chinese Government is tightening control over the use of foreign debts and making all possible arrangements to avert a repayment peak in a given year.

The People's Bank of China is now in charge of all China's foreign debt handling, said Chen.

She added, "I'm sure China will play an active role in the Asian Development Bank (ADB)."

Referring to fear abroad that China will become the biggest receiver of ABD loans and will take up the loan shares of other ABD members, she said, "As a member of the ADB, China is entitled to use ABD loans. But in using the loans, China will certainly take all considerations into account."

"We're studying specific ways to use ABD loans," she added. The shares China delivers to the ADB and the amount of money it contributes to the special development fund are next only to those of Japan and the United States.

Preparations are now under way for the convocation of the ADB 22nd annual meeting in Beijing in 1989.



JINGJI RIBAO ON REFORM, ECONOMIC INVIGORATION

HK270801 Beijing JINGJI RIBAO in Chinese 18 May 87 p 1

[Commentator's article: "The Only Way To Invigorate China's Economy is Reform"]

[Text] We are now confronted with the important task of advancing reform. To advance reform, it is necessary to have a better understanding of reform. A question on which we should concentrate in deepening our understanding is why reform is the only way to invigorate China's economy.

To facilitate the study of problems, we may as well review our history.

After the founding of New China, on the basis of completing the new democratic revolution, we established the socialist system through the transformation of the private ownership of the means of production. Due to various factors, our productive forces are still underdeveloped and our economy and culture are relatively backward. To date, our country is still in the initial stage of socialism. To invigorate China and develop the economy, it is first necessary to develop social productive forces, eradicate poverty, and become comparatively well-off. At present, China's way out refers chiefly to this.

How can China and its people eradicate poverty and become rich? In other words, what is the way to invigorate China's economy? To this end, we have conducted long exploration. China's history and national conditions do not permit following the capitalist road, still less the road of semifeudalism and semicolonialism. We can only reach our goal by bringing into full play the superiority of the socialist system. Therefore, there is the question of how to bring the superiority of the socialist system into full play and invigorate China's economy. To this end, we have also carried out long exploration. We adopted the method of constantly changing the relations of production and pursued the nature of "being large in size and having a higher degree of public ownership;" we went in for mass movements in a big way and the "Great Leap Forward;" and we "took class struggle as the key link" and used the method of "grasping revolution" to "promote production." Facts show that far from bringing into full play the superiority of the socialist system and stimulating the development of the productive forces, these methods restricted and dampened the initiative of the laboring masses and obstructed the rapid development of the productive forces. In the 30 years from the founding of the PRC to 1979, our economy developed to some extent but at low speed. We basically failed to end poverty.

Where did the problem lie? What is the correct way? The 3d Plenary Session of the 10th CPC Central Committee realistically analyzed the national conditions, summed up the previous experience, both positive and negative, and found the answer to the problem: The reason for the prolonged stagnation of China's economy lay not in the socialist system but in the irrational economic management system. The Third Plenary Session put forward the policy of reform, opening up, and economic invigoration on the basis of upholding the four cardinal principles. Practice over the past few years has proved that the various policies and measures of reform are all aimed at liberating the productive forces and that, with the advance of reform, socialism will constantly gain vigor and vitality and the superiority of the socialist system will gradually be brought into play. Reform has brought a series of gratifying changes to our country and had brought material benefit to the people of the whole country. This is the personal experience of all people.



The above mentioned historical facts show that reform is the way to invigorate China's economy and there is no other way out. It is not only so in China, it has also become a historical trend in other socialist states.

It should be said that the tremendous successes of the reform have enabled most comrades to realize that reform is the bright way to invigorate China's economy. But can we say that all of us have gained a very profound and conscious understanding? Perhaps not. This is because some comrades still have muddled ideas regarding reform, and their views on some phenomena are not quite correct. For example: Some comrades' minds are still controlled by outdated, conservative, and stagnant viewpoints. When they encounter some hitches in carrying out the reform measures, or when certain reforms touch on their own interests, they always want to go back to the old road, feeling that "things were better before." They even become suspicious regarding the socialist nature of the reforms, and are overcritical of the existing policies, viewing them as bourgeois liberalization. The principal cause for these muddled ideas is that they lack ample understanding of the profound significance, complexity, arduousness, and protracted character of the reforms.

Reform is a gigantic social systems engineering project. It is conditioned by various fields and links, but it cannot be simultaneously conducted in all fields and links. It can only be conducted according to individual circumstances and in order of importance and urgency. For this reason, lack of coordination will happen from time to time. Some reform measures are obviously imperfect. Even well-considered measures and plans cannot be perfect in every way. In short, they have both advantages and disadvantages and, as long as the advantages outweigh the disadvantages, they should be tried out. Due to various factors, such as ideological understanding, work styles, and methods of work, some reform plans may leave something to be desired in the course of their implementation. The coexistence and mutual "friction" of the new and old structures can also bring about some unexpected contradictions. All these will inevitably lead to problems in the reforms. Sometimes we move ahead quickly and sometimes we move ahead slowly. Sometimes everything goes smoothly and sometimes we suffer temporary setbacks. We should use the dialectic viewpoint to correctly understand the protracted character and complexity of the reforms and correctly deal with the success and failure or the advantages and disadvantages of the reforms. On no account should our view of the important be overshadowed by the trivial. In this way, we can avoid rashness and one-sidedness. Far from "losing our way," we can clearly see through complicated phenomena the dawn brought about by the reforms.

The reforms are still constrained by a variety of endurance factors, such as finances, material, and people's psychological endurance. The state carefully considers what can be endured when formulating its principles and measures. As citizens, we too have the responsibility to ensure certain sacrifices and to boost our endurance, especially our psychological endurance, to ensure that the reforms can proceed smoothly. The reforms will lead to the readjustment of various interests. Some measures will probably benefit some people more, others less, and even sacrifice the interests of some others. We should not judge the correctness of the reform by the benefit we or our departments and units gain. We should take a broad and long-term view and think about the interests of the state, the nation, and the coming generations. In this way, we shall consciously push forward the reform and contribute our bit for the invigoration of China's economy and the building of socialism with Chinese characteristics.

COMMENTATOR DISCUSSES DIFFERING VIEWS ON REFORM

HK260555 Beijing NONGMIN RIBAO in Chinese 16 May 87 p 1

[Commentator's article: "Whether or Not it Is Beneficial to the Emancipation of Social Productive Forces Is the Main Hallmark for Judging Whether it Is Progressive or Retrogressive"]

[Text] Under the guidance of the line of the 3d Plenary Session of the 11th CPC Central Committee, great achievements have been scored in our rural reform and hundreds of millions of peasants have plunged into the practice of building socialism with Chinese characteristics. As reform is a new thing, we shall unavoidably encounter this or that problem and have this or that different view in the course of reform. For example, is the contracting of output quotas on a household basis of a "socialist" nature or a "capitalist" nature? Does the system of contracted responsibilities on the household basis, with payment linked to output "sabotage the collective economic foundation?" Is the commodity economy "capitalism?" As reform is carried on in the course of exploration, it is understandable that there are different views on some problems. Following the deep-going development of reform, these different views are gradually tending toward consensus. How do we judge whether it is progressive or retrogressive? We hold that it mainly depends on whether it is beneficial to the emancipation of social productive forces and whether it is advantageous to the promotion of the development of productive forces.

As early as 1981, the "Resolution on a Number of Historical Problems of the Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee clearly pointed out: "The main contradiction which our country should resolve is the contradiction between people's gradually increasing material civilization and backward social production. The focal point of the party's and country's work must be shifted onto socialist modernization with economic construction as the center, greatly developing social productive forces, and on this basis, gradually improve people's material and cultural life." Comrade Deng Xiaoping has pointed out on many occasions that the major task of socialism is to develop productive forces. The victory of the Chinese revolution was won in a backward semifeudal and semicolonial country. In the past, China was a country where small-scale production was predominant. It was in a self-sufficient or semi-self-sufficient state and had not fully developed the commodity economy and productive forces. This was greatly different from the concept of Marx and Engels where the proletariat wins a victory in a developed capitalist country. In an economically and culturally backward country, after the victory in the proletarian revolution is won, if productive forces do not develop, the people's gradually increasing material and cultural needs can hardly be satisfied, nor can the strong points of the socialist system be shown. Therefore, after the proletariat acquires political power, the major problem that confronts it is how to change quickly the poor and backward outlook and how to enable all the people to get rich together. That is, how to satisfy the people's gradually increasing needs in material and cultural life to the greatest extent. This is why productive forces must be vigorously developed. The key to speeding up the development of productive forces lies in fully arousing the masses' enthusiasm. Without the producers' enthusiasm, productive forces cannot be quickly developed. After the proletariat grasps the state's political power, whatever policies it takes, so long as it adheres to party leadership and the socialist orientation, so long as it can fully arouse the masses' enthusiasm, and so long as these policies are beneficial to the development of production, such policies are correct. Otherwise, they are incorrect. It can be said that whether or not it is beneficial to the development of social productive forces should be the main hallmark for judging whether it is progressive or retrogressive. This has been proved by the practice of the rural reform of our country.

Now, in the course of studying economic theory, there is phenomenon which merits attention. Those things which have been proved by practice to be beneficial to the emancipation of productive forces and that can promote the socialist modernization of our country are regarded by some comrades as things of a capitalist nature. These comrades regard as things of a socialist nature those which shackle productive forces. Productive forces and production relations must be studied simultaneously. Deviating from the development of productive forces and studying production relations alone is not a Marxist viewpoint. Practice is the sole criterion for testing truth. Now, in the economic theoretical work, the viewpoint of being divorced from practice and life and outmoded, stagnant, and ossified viewpoints still shackle the minds of some of our comrades. In the whole process of reform and opening up, it is imperative to get rid of the influence of the force of habit and to eliminate those outmoded, stagnant, and ossified viewpoints. Therefore, in the course of studying economic theory, we must further emancipate our minds and boldly carry out exploration. In this way, theoretical work can progress and guide practice.

#### SMUGGLING OF CULTURAL RELICS SERIOUS PROBLEM

OW261150 Beijing XINHUA in English 1100 GMT 26 May 87

[Text] Beijing, May 26 (XINHUA) — Smuggling and stealing and resale of cultural relics have becoming increasingly serious in recent years and measures are being taken to seriously deal with the criminals, according to a Chinese public security official today.

"During the first quarter of this year," he said, "seven provinces and municipalities have uncovered 99 smuggling cases, confiscating 12,820 cultural artifacts, including 7,959 listed as "rare."

"Most cases are the joint effort of Chinese and foreign smugglers," the official said, adding the items are usually taken out of China on fishing boats or trucks to Hong Kong and Macao, and some are carried out by tourists.

Last September 9, Shenzhen's Wenjindu Port nabbed 718 items from one truck, including 51 rare pieces.

In Guangzhou, the capital of south China's Guangdong Province, local police infiltrated a smuggling ring and recovered 3,643 cultural artifacts.

From 1983 to last May, museums and cultural relics administration departments in Gansu, Shaanxi, Qinghai and Shanxi Provinces were robbed fo 2,750 items and 1,000 kilograms of ancient coins.

Gansu's famous Mogao Grottoes, China's largest collection of Buddhist art, were robbed twice, when nine wall hangings were lost.

In recent years, the robbing of tombs, reaching from central China to border areas and remote provinces and autonomous regions such as Guangxi, Qinghai, Gansu, Xinjiang and Inner Mongolia is also on the increase.

Quanzhou County, in the Guangxi Zhuang Autonomous Region has had 843 tombs robbed, and 5,000 cultural artifacts have been stolen or damaged in about 1,000 new stone age tombs in Minhe County, Qinghai Province.



In reaction to the serious situation, China's State Council, the country's highest governing body, issued a public notice today, which dealt with the robbing of tombs and smuggling of cultural artifacts out of the country.

Commentator Urges Crack Down

HK270109 Beijing RENMIN RIBAO in Chinese 23 May 87 p 1

[Commentator's Article: "According to the Law, Sternly Crack Down on the Criminal Activities of Robbing Graves and Smuggling Cultural Relics"]

[Text] The criminal activities of smuggling cultural relics, robbing graves, and stealing cultural relics from museums in all places throughout our country have emerged one after another over the past few years, resulting in the outflow of and damage to a large number of historical cultural relics. Particularly since the beginning of last year, the number of criminal cases has rapidly increased and the losses of cultural relics have been more serious. This has not only seriously sabotaged the cultural legacies of history of our motherland but also corrupted social values and impaired the building of socialist material and spiritual civilization. At present, the voice of "rescuing the cultural relics of our motherland" of various circles of our whole country becomes louder and louder. Many patriotic personages abroad are sternly condemning these criminals' repulsive acts of running counter to the interests of our country and nation, of being bent solely on profit, and of making a fortune through "national treasures." The severe punishment of criminals and the curbing of smuggling cultural relics and robbing graves brooks no delay and urgent measures must be taken.

As a witness to history, cultural relics are the symbol of a nation. The proper and good protection of its historical cultural relics by a country embodies the prosperity of the country and the integrity of its sovereign rights. Since the founding of the New China, relevant decrees have been promulgated, state cultural relics administration organs set up, and the unified and effective protection and management of all kinds of cultural relics within the territory of China carried out, bringing the history of the theft of valuable cultural relics to an end. Over the past 30-odd years, a large number of cultural relics have been maintained, repaired, and protected, a large number of underground cultural relics unearthed, and unparalleled great achievements scored in the cultural relics cause, compared with old China. An important content of the protection of cultural relics is to struggle against the acts of sabotaging cultural relics. As in all sovereign states, there are always a small number of scum in a nation and criminals forgetting all moral principles at the sight of profits, who defy state decrees, risk universal condemnation, and carry out by hook or by crook the activities of stealing and smuggling cultural relics. Being soft hearted and over lenient toward these criminal activities is a crime against a nation and country and a dereliction toward history and future generations.

Leading comrades of the central authorities have recently pointed out that the theft of cultural relics is so serious that departments concerned must pay great attention to it, take effective measures to curb it, and sternly crack down on the heinous criminals according to the law. In 1982, our country promulgated the "Law on Cultural Relics Protection." The "criminal law" promulgated in 1979 provides: "Those who violate the rules and regulations on cultural relics protection and steal and export valuable cultural relics shall be sentenced to a set term of imprisonment from 3 to 10 years and fined. In a serious case, offenders shall be sentenced to a set term of imprisonment for over 10 years or up to life imprisonment and their property shall be confiscated." [paragraph continues]



"Those who deliberately sabotage state-protected valuable cultural relics and places of historic interest and scenic beauty shall be sentenced to a set term of imprisonment for less than 7 years or held in custody." At present, the criminal activities of smuggling cultural relics and robbing graves in some places have become rampant. The main reason for this is that the laws are not observed and strictly enforced and criminal elements are not hit vigorously enough. The principal reason for this is that some places substitute a fine for imprisonment. Severe punishment is not meted out to criminals guilty of smuggling cultural relics and robbing graves as the law dictates but instead a fine is imposed on them. Cases which should be placed on file for investigation and prosecution are not so placed and severe punishment which should be meted out is not meted out so that criminal elements can go scot-free. The idea of leaving things to chance is encouraged, and necessary education is not conducted for the masses.

If a bad general mood is not checked in time, it will be spread. Some people who participate in smuggling and robbing graves are prompted by the desire for profits, are bribed and encouraged by smugglers, and commit a crime because they are ignorant of the law. It is essential to teach them that all cultural relics left underground and in inland rivers and territorial waters belong to the state and without the approval of the state cultural relics administration departments, no units or individuals may recover them. Those who have found underground relics must submit them to the state cultural relics administration departments. Those who dig up ancient ruins and tombs without permission shall be punished on the charge of larceny, according to the law. In particular, cadres at all levels must not only set an example, know and abide by the law, but also teach the masses to know and abide by the law. The idea that "things buried in the ground are of no use and should be unearthed and sold to get some money" is extremely wrong. We must not be over lenient toward, tolerate, and even connive with the activities of smuggling cultural relics and robbing graves.

At present, the building of our socialist legal system and the building of socialist spiritual civilization is healthily developing and is very beneficial to the protection and management of cultural relics. So long as leaders at all levels attach great importance to it, seriously enforce the law and sternly crack down on the lawless elements on the one hand, and on the other hand, step up propaganda and education so as to make the law on cultural relics protection known to every household, the unhealthy trend of robbing ancient tombs and smuggling cultural relics can be quickly curbed. Otherwise, we are a discredit to our ancestors and future generations.

#### CUSTOMS PROCEDURES SIMPLIFIED IN BEIJING

HK260848 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 26 May 87 p 1

[By staff reporter Da Chansong]

[Text] Importers in Beijing now have only two places where customs duties are dealt with: the Beijing Customs Office House building and the Capital Airport Customs Entry Hall. There used to be ten other offices scattered around the city each handling part of the customs formalities. Customers had to shuttle between them and the Beijing Customs House to deal with import duties.

From this month, the Beijing Customs Office House is handling the declaration and levying taxes on import and export goods through railway and ocean transport as well as deliveries of international mail and the goods of tourists travelling by land.  
[paragraph continues]

The Capital Airport Customs Entry Hall will cover air cargo and people entering or leaving the country and deal with all their customs services. The other offices will only be responsible for offering deliveries, checking and approving the goods, according to Huang Fudi, an official from the Beijing Customs House. Since early 1984, export goods have been required to declare customs duties only in the Beijing Customs House, she said.

As part of the reform of China's customs formalities, the change is aimed at improving overall control of the customs, providing more efficient service and convenience for the customers. And it has laid the foundation for computer network systems which will be used in the customs services in the future, Huang said. Before the system was worked out, the Bank of China made some changes in the payment procedure. Originally, the Beijing Customs House would send the cheques of the customers for paying taxes to the Bank of China. But now, customers have to go to the specific banks where they have opened an account, because some cheques proved worthless.

In the past few years, business at Beijing Customs House has boomed. Last year, the level of import and export goods going through the customs was 173 per cent higher than 1982. But most was handled in the Capital Airport Entry Hall, which dealt with more than the total of the ten offices put together. Dalian, Shenyang and some cities in Guangdong Province have already implemented the centralized declaration system.

The regular customers of the Beijing Customs House are units who are free to handle import and export businesses, such as import -- export corporations, corporations combining trade with manufacture, transport companies and joint ventures. These companies have designated people responsible for their declarations, who have been trained and got qualifications from the Beijing Customs House since 1985.

In order to encourage foreign investment and provide convenience for the users, the Beijing Customs House has approved the setting-up of more than 100 bonded warehouses for imported spare parts, which are temporarily duty-free before they are taken out. It will also establish bonded factories which can import raw materials and equipment for producing export goods. The factories may use the exempted tax for expanding production.

The General Administration of Customs of Beijing has also revised some of the duty regulations in an effort to protect the domestic economy and facilitate economic and technical exchanges with foreign countries. The Beijing Customs House has adopted measures to ensure preferential treatment for firms using foreign funds. Machinery, production facilities imported for joint ventures and foreign invested hotels, equipment unavailable domestically and items for technological transformation in production enterprises, cultural and educational facilities will come in with duty reductions or duty-free, according to Huang Ling, an official in charge of the tax section.

Other products for export, and spare parts for the technological transformation of domestic airplanes and telecommunication equipment will have reduced duties or be exempt. Imported mechanical and electrical products from some Eastern European countries are duty-free, because China is now encouraging the purchase of their products, Huang said. Duties are being raised on the import of cars, excluding those for joint ventures, some electronics products and polychromatic lenses in order to protect domestic production, he said.

JIANGXI'S WAN SHAOFEN AT VETERAN'S FUNERAL

OW240916 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 22 May 87

[Excerpt] A ceremony to pay last respects to Comrade Xie Rui, a vanguard fighter of the proletariat, long-tested veteran Red Army soldier, and outstanding PLA commander, was held at the Nanchang Funeral Home this morning.

Attending the ceremony were leaders of the PLA General Political Development, the Nanjing Military Region, and the Jiangxi provincial party, government, and military organs, including (Zhu Yuntian), Fu Kuiqing, Wan Shaofen, Liu Fangren, Xu Qin, Wang Baotian, (Lu Xiuzhen), Di Sheng, (Liu Zhohou), Zhu Zhihong, (Chen Jiaming), Wang Guangde, and Lu Liang; Bai Dongcai, member of the Central Advisory Commission; (Yang Linxiong), political commissar of the Nanchang Army School; and veteran comrades (Xie Xianfa), (Wu Dingqian), and (Wu Weidao). [passage omitted]

SHANDONG'S LIANG MEETS WITH CHINESE FROM JAPAN

SK221144 Jinan DAZHONG RIBAO in Chinese 13 May 87 p 1

[Text] On the afternoon of 12 May, provincial party committee Secretary Liang Buting cordially met with a tourist group organized by the association of the natives of Shandong from Hyogo Prefecture of Japan, led by its president, Lin Fugui, and adviser, Liang Xinchang, at Taian City's Taishan Guesthouse.

Liang Buting said happily to the guests of the tourist group: We welcome your visit to your hometown, and hope that you will have a good look at the development and the scenic spots and historical sites of your native place -- Shandong. For instance, Tai Shan is very famous. Many of you have not climbed to the top of Tai Shan. You may take this opportunity to climb to its top, and enjoy the beauty of the Shandong scenery.

Liang Buting also urged the guests to actively participate in the development of the country and contribute their efforts to the four modernizations of the motherland.

Lin Fugui, leader of the group, expressed heartfelt thanks to Secretary Liang Buting.

Song Fatang, secretary of the Taian City Party Committee, and other comrades were present at the meeting. After the meeting, they presented small souvenirs to each other.



GUANGDONG FORUM URGES CRACKDOWN ON CRIME

HK261248 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 25 May 87

[Text] A Guangdong provincial forum on political and legal work, which concluded this afternoon, noted: In promoting the current political and legal work, we must continue to deeply crack down on serious criminal offenses and economic crimes for the purpose of safeguarding successful promotion of the four modernizations.

The forum added: Our province has scored remarkable achievements in intensively cracking down on serious criminal offenses and economic crimes since August 1983. However, there are still many public security problems. Therefore, in promoting the current political and legal work, we must continue to uphold the guiding principle for laying equal stress on both the crackdown and the building of the legal system, conscientiously promote public security, and ensure safety during both the sixth national games and the national day. We must firmly render services for upholding the four cardinal principles, safeguarding the political situation of stability and unity, and ensuring the promotion of the policy on reform and opening up and the four modernizations. At the same time, we must strengthen the building of our political and legal forces, strictly act according to law, and give full play to the functions of our political and legal departments.

GUANGXI CONFERENCE CITES SUCCESSFUL PROSECUTIONS

HK260230 Nanning Guangxi Regional Service in Mandarin 0930 GMT 22 May 87

[Text] A Guangxi regional conference on political and legal work, which concluded today, noted: The past 3 years' activities of severely cracking down on serious criminal offenses and serious economic crimes have produced good results. This year we must continue waging the struggle to severely crack down on serious criminal offenses and serious economic crimes.

The conference noted: The past 3 years' activities of taking strong measures against serious criminal offenses and serious economic crimes have promoted the work of tackling public security problems in a comprehensive way and have extensively publicized the legal system. The activities have been developing healthily with great successes. Through this struggle, the overall situation in our region has been stable. However, this stable situation remains to be consolidated, and many problems in this regard remain to be solved. In accordance with the spirit of the national forum on political and legal work and in light of our region's real conditions, this year our region has to carry out the following major political and legal tasks: Continue promoting the activities of severely cracking down on serious criminal offenses and serious economic crimes; severely and quickly punish according to law elements engaged in committing serious criminal offenses; severely punish in accordance with the law elements engaged in committing serious economic crimes and active counterrevolutionaries; further promote the work of tackling public security problems in a comprehensive way; ensure sustained stability of public order; and ensure successful promotion of the policy on reform, opening up, and reinvigoration, and the building of the two civilizations.



To fulfill the political and legal tasks for this year, the conference called for strengthening the building of our political and legal forces, enhancing the political and professional quality of the vast numbers of cadres and policemen, and increasing the fighting capacity of our political and legal forces. The conference also called for strengthening our party leadership over political and legal work and scoring still greater achievements in all types of work.

A total of 320 people attended the conference. They included leaders from the region's political committees and political and legal commissions at prefectural and city levels; leaders from political and legal departments at the regional level; and leaders from the relevant departments. Attending and addressing the conference were Chen Huiguang, Tao Aiyang, Lin Chaoqun, and Zhong Feng, leaders from the regional party committee and the regional People's Congress. Cheng Kejie, vice chairman of the regional people's government, attended the conference.

#### HENAN LEADER ON MANAGEMENT RESPONSIBILITY SYSTEM

HK260342 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 24 May 87

[Text] A 3-day Henan provincial work conference on the "double increase and double economy" campaign concluded yesterday. The conference's major topics for discussion were: To implement the spirit of the national forum on contracted management responsibility system; to draw up a plan to be carried out in the days to come for the promotion of the enterprise reform that centers on reinvigorating large and medium-sized enterprises and popularizing multiform contracted management responsibility systems; to promote the "double increase and double economy" campaign; and to promote sustained, stable, and coordinated development of our province's economy.

Zhang Zhigang, vice governor of the provincial government, delivered a relayed report on the relevant central documents. Qin Kecai, vice governor of the provincial government, delivered a report, entitled "On the Spirit of the National Forum on Contracted Management Responsibility Systems and on Suggestions for Implementing the Spirit." (Zhong Lisheng), chairman of the provincial Planning and Economic Commission, delivered a speech on deepening the enterprise reform and promoting the "double increase and double economy" campaign.

Exchanging experiences at the conference were representatives from Zhengzhou City, Pingdingshan City, Sanmenxia City, Xinyang Prefecture, as well as representatives from a number of advanced units.

Attending the conference were Yang Xizong, Liu Zhengwei, Yao Minxue, and Hu Tiyan, leading comrades from the provincial party committee and provincial government. Yang Xizong and Liu Zhengwei delivered important speeches.

In his speech at the conference, Comrade Yang Xizong comprehensively expounded the importance of contracted management responsibility systems to promoting the "double increase and double economy" campaign and the building of our socialist material and spiritual civilizations. He demanded that leading cadres at all levels adopt a positive approach to gradually popularize multiform contracted management responsibility systems in a guided and planned way, proceed in an orderly way, and step by step bring about healthy development of the popularization of the systems, and guard against rushing headlong into mass action or going in for rigid uniformity regardless of real conditions. [paragraph continues]

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In contracting for management responsibilities, we must organize relevant departments and experts to promote evaluation work and plan rational bases in this regard. Government departments responsible for the work must do well in carrying out supplementary reforms and handling all types of relations, and create fine conditions for deepening our enterprise reform and popularizing contracted management responsibility systems.

#### HUBEI STEPS UP ANTILIBERALIZATION EDUCATION

HK260855 Wuhan Hubei Provincial Service in Mandarin 0900 GMT 25 May 87

[Excerpts] From 20 to 22 May, the Propaganda Department of the Hubei Provincial Party Committee held a forum of propaganda section chiefs from the Propaganda Departments of all prefectural and city party committees, and party committee Propaganda Department directors from the great majority of the province's large factories and mines. The forum noted: We must conscientiously study the central spirit, ensure sustained and healthy development of our positive education, and conduct thoroughgoing positive education for our vast numbers of workers and staff members. [passage omitted]

Over the past 5 months, particularly since the provincial meeting of Propaganda Department directors, due to the efforts made by party committees at all levels to conscientiously implement the relevant spirit of the CPC Central Committee and the provincial party committee, and also due to the effective measures and proper steps adopted and taken by party committees at all levels, the whole province's positive education in upholding the four cardinal principles and opposing bourgeois liberalization is developing in a sustained and healthy way, and has also scored initial achievements in this regard. The major manifestations of such achievements are that our cadres and people have deepened their understanding of the importance, necessity, and protracted nature of the struggle against bourgeois liberalization; acquired a better understanding of the four cardinal principles; deepened their comprehension of the two main points of the line adopted since the 3d Plenary Session of the 11th CPC Central Committee, namely, the points that upholding the four cardinal principles and upholding the policy on reform, opening up, and reinvigoration complement each other, and that neither of the two points can be dispensed with; and strengthened their confidence in and their determination to deepen the reform. [passage omitted]

#### HUNAN LEADERS MAKE FLOOD CONTROL INSPECTION

HK270119 Changsha Hunan Provincial Service in Mandarin 0000 GMT 26 May 87

[Excerpts] From 19-24 May, Mao Zhiyong, Xiong Qingquan, Chen Bangzhu, Jiang Jinliu, (Shen Ruiping), Yu Haichao, (Shi Jie), and (Xiao Qiuru), leaders from the provincial party, government, and military organizations, joined a number of responsible persons from the relevant provincial departments in making an on-the-spot investigation along the banks of the Dongting Hu, and in discussing important measures for preventing floods this year. In addition, they also held an on-the-spot meeting in Anxiang County to handle official flood control matters. The meeting was attended by responsible persons from the Dongting Hu area's prefectures, cities, counties, and state farms. During the meeting, the leaders solved a number of specific problems in flood control. [passage omitted]

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SICHUAN MANAGEMENT RESPONSIBILITY MEETING ENDS

HK260928 Chengdu Sichuan Provincial Service in Mandarin 2330 GMT 22 May 87

[Text] A provincial on-the-spot meeting on the contracted management responsibility system, held by the provincial party committee and provincial government, concluded on 22 May in Deyang. The meeting was attended by responsible comrades from the relevant provincial departments and from the province's prefectures and cities, as well as directors and managers from the province's 150 large and medium-sized enterprises. Participants in the meeting heard a relayed report on the directives issued by comrades of the central authorities and the State Council on the implementation of the multiforum contracted management responsibility system and a relayed report on the spirit of the national forum on the contracted management responsibility system, and exchanged experiences gained in various areas in deepening the enterprise reform, promoting the multiforum contracted management responsibility system, and advancing the double increase and double economy campaign.

The meeting stressed: In deepening our enterprise reform, we should emphasize improving the enterprise mechanism, comprehensively improve economic results for reinvigorating enterprises, and gradually enable large and medium-sized enterprises to achieve independence in management, assume sole responsibility for profits and losses, achieve self-restraint and self-development, and truly become relatively independent commodity producers and operators.

The meeting specially demanded that directors and managers of enterprises become expansionary and creative personnel, establish a spirit of creating new things and exploring, daring to take risks, and being bold in bearing responsibilities.

The meeting also demanded that all government departments create conditions for successful implementation of the contracted management responsibility system within enterprises and provide services in this regard.

Attending the meeting were Yang Rudai, secretary of the provincial party committee, Jiang Minkuan, governor of the provincial government, and Gu Jinchi and Ma Lin, vice governors of the provincial government.

SICHUAN'S YANG ADDRESSES ECONOMIC CONFERENCE

HK260147 Chengdu Sichuan Provincial Service in Mandarin 0000 GMT 26 May 87

[Excerpts] The fourth meeting of the six-member Southwest Economic Coordination Conference opened in Chengdu on 25 May. The six members are Yunnan, Guizhou, Guangxi, Xizang, Chongqing, and Sichuan. The meeting's host, Sichuan provincial party committee secretary Yang Rudai, delivered the opening speech.

Yang Rudai said: New developments in both breadth and depth have taken place in economic and technological ties and cooperation between the six members of this conference. [passage omitted] The vast southwest is highly suited to the all-round development of agriculture, forestry, animal husbandry, sideline occupations, and fisheries. We must step up ties and cooperation in advanced technology in agriculture and animal husbandry, and place this in an important position.



Yunnan provincial party committee Secretary Pu Chaozhu, who was chairman of the third meeting of the conference, delivered a written speech entitled: Sum Up Practical Experiences and Promote Cooperation and Ties. Zhu Kui, member of the Standing Committee of the Yunnan provincial party committee and permanent vice governor, reported on work over the past year since the third meeting. (Zhang Mingcao), responsible person in charge of the comprehensive investigation and development strategy studies for southwest land resources, reported on the progress of this work.

#### YUNNAN'S PU ADDRESSED ECONOMIC MEETING

HK260153 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 25 May 87

[Excerpts] Yunnan provincial party committee Secretary Pu Chaozhu delivered a speech entitled: Sum Up Practical Experiences and Promote Cooperation and Ties, at the opening of the fourth meeting of the Southwest Economic Coordination Conference in Chengdu on 25 May.

In his speech, Comrade Pu Chaozhu said: The Southwest Economic Coordination Conference of five provinces and regions and one city has played a major role in stimulating the building of a regional marketing setup in the southwest. It has also actively promoted the development of lateral economic ties between different areas and trades. [passage omitted]

Pu Chaozhu pointed out: Developing socialist commodity economy is the fundamental aim of all-round economic structural reform. How should we go about correctly and fully bringing into play the role of regional coordinated organizations in accordance with the general laws of a commodity economy and the objective requirements for the development of socialist commodity economy in the current stage? We have felt through practice that we must base this work on at least the following two principles: 1) The nature, principles, and organizational forms of regional economic cooperation must fully embody the objective demands of the general laws of a commodity economy. 2) The aspects and degrees of the roles played by regional economic coordinated organizations must be based on the current conditions and general level of all parties involved in the ties.

Pu Chaozhu said in conclusion: If, through summing up and reviewing the practice of the past 3 years, we are able to get a clear picture of these questions in our minds and further unify our understanding of them in connection with the common points and differences among all parties, we will be able to follow the objective demands of the general laws of commodity economy in correctly bringing into play the role of the economic coordination conference and reach the goal of uniting for common prosperity.

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HEILONGJIANG FOREST FIRE 'EXTINGUISHED' 26 MAY

Artificial Rain Credited

OW261424 Beijing XINHUA in English 1401 GMT 26 May 87

[Text] Tahe, May 26 (XINHUA) — The huge forest fires that have swept across northern Heilongjiang Province for three weeks have been extinguished as the last two fire fronts in the western fire zone were beaten out early this morning by 5,000 Chinese soldiers.

There are now no visible signs of fire in the fire-stricken area, according to the latest report from firefighting headquarters.

The last two fire fronts were three kilometers and five kilometers long. About 50,000 soldiers, forestry policemen and local residents are clearing the area making sure all fires are out.

Artificial rain made by artillery and airplanes have stopped the fire's spread, the report said. The Air Force and Meteorological Department fired more than 3,000 silver iodide shells and spread 400 kilograms of dry ice in the sky to make rain. An average of 10 millimeters of rain has fallen in the area.

The northern part of the Daxinganling mountains is covered by forest and a thick layer of dead leaves, which remain highly flammable. "It remains an arduous task for firemen to wipe out hidden fires," officials from firefighting headquarters said.

A 200-meter-wide fire break is still being cleared along the border areas of the fire zones. Officials want these areas to be free of felled trees and smoke, with a lengthwise, half-meter-deep trench dug along the fire side of the break, officials said.

Firefighters are crediting the fire breaks with stopping the fire.

Four Arrested

HK270734 Hong Kong AFP in English 0723 GMT 27 May 87

[By Patrick Lescot]

[Text] Beijing, May 27 (AFP) — The massive forest fire that raged for three weeks in northeastern China is finally under control and four people suspected of being responsible for the blaze have been arrested, officials said Wednesday.

Vice Minister of Forestry Lui Guangyun told a press conference that the fire, in the Sino-Soviet border area of Heilongjiang Province, had been under control since 5.00 a.m. Tuesday (21.00 GMT Monday).

Mr Liu said China's worst fire in 40 years had claimed 191 lives, devastated 650,00 hectares (more than three million acres) of mostly forested land and mobilized 42,000 firefighters. About 50,000 people were evacuated.

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Previous announcements had put the number of dead at above 200.

Three towns were obliterated in the first days of the fire — Xilinji, with a population of 16,000, Tuqwang, with 8,000 inhabitants, and Amer with 9,000.

Most of the victims were from these areas, Mr Liu said, adding that one firefighter was also known to have died.

Four forestry workers had been arrested on suspicion of being responsible for the fire, which could have been the result of workers not following a strict ban on smoking and cooking in the forests, he said.

He said an investigation was continuing, adding that nothing so far pointed to "sabotage" as the origin of the catastrophe which hit an area that furnishes 80 percent of China's timber needs.

Mr Liu said China would "welcome any offer" of foreign relief aid, a marked break from tradition for a country that had always said it would rely on its own resources to deal with national calamities.

The soldiers, firefighters and civilians who struggled to contain the blaze finally got the upper hand by digging firebreaks along a 750 kilometer (500 mile) perimeter around the ravaged area, blocking the fire's progress on all fronts, Mr Liu said.

He also said that the Chinese Air Force's efforts to create artificial rain had been very successful in the past few days after the failure of earlier efforts due to weather. The fire was prevented from crossing the Sino-Soviet border by the width of the Heilongjiang River, estimated at 200 meters (600 feet), he said.

He warned, however, that there could still be "hidden" fire spots which could spark off another blaze if strong winds returned.

Mr Liu said five fires started almost simultaneously in the area on the afternoon of May 6. These fires were "immediately controlled" by local authorities, but revived owing to 60 kilometer (45 miles) an hour winds.

The catastrophe did not result in any violence or looting, Mr Liu said, describing the keeping of order in the area as "wonderful."

Soldiers armed with sub-machine guns were seen on Chinese television Tuesday guarding warehouses and watching the movements of evacuees at train stations.

The thousands of soldiers sent to the area to fight the blaze were often unprepared, forced to use "anything that they could find" to do the job, Mr Liu said, acknowledging that firefighting equipment was "far from adequate."

He said the region, which is not open to foreigners, only had 2,000 firefighting experts, 500 of whom however were on permanent alert with sophisticated equipment.



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He said it was still impossible to calculate the exact amount of damage caused by the fire, but early government estimates had put the loss at between 400 million and 500 million yuan (108 million and 135 million dollars), not counting the cost of fighting the blaze.

At least 30 million cubic meters (1,050 million cubic feet) of timber were reduced to ashes, Mr Liu said.

JILIN'S GAO DI ATTENDS MEETINGS ON FIREFIGHTING

SK240248 Changchun Jilin Provincial Service in Mandarin 2100 GMT 23 May 87

[Text] The party and government organs and soldiers and civilians throughout the province have paid close attention to the worst forest fire in Da Hinggan Ling Prefecture and are plunging into firefighting battles with all-out efforts. In coping with the forest fire, the Jilin provincial party committee and the provincial people's government have organized departments concerned to join in the disaster relief work.

On 14 and 16 May, the provincial party committee and the provincial people's government held two meetings of responsible comrades from the provincial level departments concerned. Gao Di, secretary of the provincial party committee; Gao Dezhan, governor of the province; and Liu Yunzhao and Wang Jinshan, vice governors of the province, attended the meetings and delivered speeches in which they made arrangements for disaster relief work in supporting the firefighting operation in Da Hinggan Ling Prefecture.

The meetings adopted a decision on appointing Vice Governor Wang Jinshan as head of the provincial leading group for disaster relief work.

During the meetings, the provincial party committee and the provincial people's government urged all localities throughout the province to actively join in the fire disaster relief work in an organized and guided manner, by adopting a pose of facing war and in line with the directives issued by the CPC Central Committee and the State Council and the demands set forth by the Heilongjiang provincial authorities. They also ordered the provincial level departments concerned to actively make contacts with similar organizations in Heilongjiang Province so as to successfully supply materials or render services for whatever they need and to successfully provide places for settling the victims as necessary.

Since 11 May, localities throughout the province, in line with the order of the higher authorities and by adopting a battle pose, have organized their forces to plunge into firefighting work. The province has dispatched a total of 2,394 forest rangers to the firefighting spots and two planes for seeding clouds and creating artificial rainfall.  
[passage indistinct]

GANSU LEADERS INSPECT LANZHOU GREENING EFFORTS

HK210241 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 20 May 87

[Summary from poor reception] Gansu provincial party and government leaders and responsible persons of provincial and city departments concerned inspected greening work in various parts of Lanzhou from 18 to 20 May. The provincial leaders involved included Li Ziqi, Huang Luobin, Jia Zhijie, Lu Kejian, and Wang Jintang.

QINGHAI MEETING DISCUSSES ROLE OF XINING CITY

HK250537 Xining Qinghai Provincial Service in Mandarin 0430 GMT 25 May 87

[Excerpts] The provincial party committee and government held a meeting on work regarding Xining City from 21 to 22 May. Leading comrades of the provincial party and government Yin Kesheng, Song Ruixiang, Liu Feng, Lu Shengdao, Qiang Jianhua, and Wang Fuxiang, and leaders of Xining City Hu Jijun and Luo Kuman attended the meeting. Provincial party committee Secretary Yin Kesheng, Governor Song Ruixiang, and provincial party committee Deputy Secretary Liu Feng made speeches. [passage omitted] Since liberation, and especially since the 3d Plenary Session of the 11th CPC Central Committee, the participants pointed out, in contrast to other provincial capitals and medium-sized cities throughout the country, Xining has lagged far behind. Its radiation role as a key city has not yet been brought into full play. Work in the city does not match the current situation of reform and opening up and the demand of developing and invigorating Qinghai.

The meeting held that Xining City occupies a decisive position as a base for the development of Qinghai and in invigorating the province's economy. Hence, it is essential to speed up the pace of its economic and social development. In the future, we must boost the city's strength for economic development, improve in its urban functions, step up its infrastructure construction, vigorously set by tertiary industries, and solve the problems that concern the masses such as difficulty in catching a bus and finding a nursery for their children. We must preserve in reform and opening up, make a success of comprehensive coordinated urban reforms, and strive to build Xining into a civilized new-style city with a prosperous economy, developed communications, a relatively high level of science, technology, and education, and local nationality characteristics by the end of the century.

Yin Kesheng spoke at the conclusion of the meeting. He said: In the future the provincial authorities will assign Xining an important construction position in arranging the work of the whole province. We will continually boost Xining's economic strength, strengthen its radiation and service functions, and thus lead and spur on economic development in all parts of the province.

He said: The provincial party committee and government sincerely hope that Xining City can take greater strides in reform and opening up. The masses should be mobilized to build and beautify the city and improve its multifunctional role. [passage omitted]

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